INTERNET
The Votes and Proceedings for the House of Representatives are available at

Proof and Official Hansards for the House of Representatives,
the Senate and committee hearings are available at

For searching purposes use
http://parlinfoweb.aph.gov.au

SITTING DAYS—2007

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>6, 7, 8, 12, 13, 14, 15, 26, 27, 28</td>
</tr>
<tr>
<td>March</td>
<td>1, 20, 21, 22, 26, 27, 28, 29</td>
</tr>
<tr>
<td>May</td>
<td>8, 9, 10, 21, 22, 23, 24, 28, 29, 30, 31</td>
</tr>
<tr>
<td>June</td>
<td>12, 13, 14, 18, 19, 20, 21</td>
</tr>
<tr>
<td>August</td>
<td>7, 8, 9, 13, 14, 15, 16</td>
</tr>
<tr>
<td>September</td>
<td>10, 11, 12, 13, 17, 18, 19, 20</td>
</tr>
<tr>
<td>October</td>
<td>15, 16, 17, 18, 22, 23, 24, 25</td>
</tr>
<tr>
<td>November</td>
<td>12, 13, 14, 15, 26, 27, 28, 29</td>
</tr>
<tr>
<td>December</td>
<td>3, 4, 5, 6</td>
</tr>
</tbody>
</table>

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

- **CANBERRA** 103.9 FM
- **SYDNEY** 630 AM
- **NEWCASTLE** 1458 AM
- **GOSFORD** 98.1 FM
- **BRISBANE** 936 AM
- **GOLD COAST** 95.7 FM
- **MELBOURNE** 1026 AM
- **ADELAIDE** 972 AM
- **PERTH** 585 AM
- **HOBART** 747 AM
- **NORTHERN TASMANIA** 92.5 FM
- **DARWIN** 102.5 FM
FORTY-FIRST PARLIAMENT
FIRST SESSION—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
<table>
<thead>
<tr>
<th>Member</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott, Hon. Anthony John</td>
<td>Warringah, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Adams, Hon. Dick Godfrey Harry</td>
<td>Lyons, Tas</td>
<td>ALP</td>
</tr>
<tr>
<td>Albanese, Anthony Norman</td>
<td>Grayndler, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Anderson, Hon. John Duncan</td>
<td>Gwydir, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Andrews, Peter James</td>
<td>Calare, NSW</td>
<td>Ind</td>
</tr>
<tr>
<td>Andrews, Hon. Kevin James</td>
<td>Menzies, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Bailey, Hon. Frances Esther</td>
<td>McEwen, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Baird, Hon. Bruce George</td>
<td>Cook, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Baker, Mark Horden</td>
<td>Braddon, Tas</td>
<td>LP</td>
</tr>
<tr>
<td>Baldwin, Hon. Robert Charles</td>
<td>Paterson, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Barresi, Phillip Anthony</td>
<td>Deakin, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Bartlett, Kerry Joseph</td>
<td>Macquarie, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Beazley, Hon. Kim Christian</td>
<td>Brand, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Bevis, Hon. Archibald Ronald</td>
<td>Brisbane, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Billson, Hon. Bruce Fredrick</td>
<td>Dunkley, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Bird, Sharon</td>
<td>Cunningham, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Bishop, Hon. Bronwyn Kathleen</td>
<td>Mackellar, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Bishop, Hon. Julie Israel</td>
<td>Curtin, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Bowen, Christopher Eyles</td>
<td>Prospect, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Broadbent, Russell Evan</td>
<td>McMillan, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Brough, Hon. Malcolm Thomas</td>
<td>Longman, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Burke, Anna Elizabeth</td>
<td>Chisholm, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Burke, Anthony Stephen</td>
<td>Watson, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Byrne, Anthony Michael</td>
<td>Holt, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Cadman, Hon. Alan Glyndwr</td>
<td>Mitchell, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Causley, Hon. Ian Raymond</td>
<td>Page, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Ciobo, Steven Michele</td>
<td>Moncrieff, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Cobb, Hon. John Kenneth</td>
<td>Parkes, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Corcoran, Ann Kathleen</td>
<td>Isaacs, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Costello, Hon. Peter Howard</td>
<td>Higgins, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Crean, Hon. Simon Findlay</td>
<td>Hotham, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Danby, Michael</td>
<td>Melbourne Ports, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Downer, Hon. Alexander John Gosse</td>
<td>Mayo, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Draper, Patricia</td>
<td>Makin, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Dutton, Hon. Peter Craig</td>
<td>Dickson, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Edwards, Hon. Graham John</td>
<td>Cowan, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Elliott, Maria Justine</td>
<td>Richmond, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Ellis, Annette Louise</td>
<td>Canberra, ACT</td>
<td>ALP</td>
</tr>
<tr>
<td>Ellis, Katherine Margaret</td>
<td>Adelaide, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Elton, Kay Selma</td>
<td>Forde, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Emerson, Craig Anthony</td>
<td>Rankin, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Entsch, Hon. Warren George</td>
<td>Leichhardt, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Farmer, Hon. Patrick Francis</td>
<td>Macarthur, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Fawcett, David Julian</td>
<td>Wakefield, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Ferguson, Laurence Donald Thomas</td>
<td>Reid, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Ferguson, Martin John, AM</td>
<td>Batman, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Ferguson, Michael Durrell</td>
<td>Bass, Tas</td>
<td>LP</td>
</tr>
<tr>
<td>Fitzgibbon, Joel Andrew</td>
<td>Hunter, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Member</td>
<td>Division</td>
<td>Party</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Forrest, John Alexander</td>
<td>Mallee, Vic</td>
<td>Nats</td>
</tr>
<tr>
<td>Gambaro, Hon. Teresa</td>
<td>Petrie, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Garrett, Peter Robert, AM</td>
<td>Kingsford Smith, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Gash, Joanna</td>
<td>Gilmore, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Georganas, Steven</td>
<td>Hindmarsh, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>George, Jennie</td>
<td>Throsby, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Georgiou, Petro</td>
<td>Kooyong, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Gibbons, Stephen William</td>
<td>Bendigo, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Gillard, Julia Eileen</td>
<td>Lalor, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Grierson, Sharon Joy</td>
<td>Newcastle, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Griffin, Alan Peter</td>
<td>Bruce, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Haase, Barry Wayne</td>
<td>Kalgoorlie, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Hall, Jill Griffiths</td>
<td>Shortland, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hardgrave, Hon. Gary Douglas</td>
<td>Moreton, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Hartsuyker, Luke</td>
<td>Cowper, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Hatton, Michael John</td>
<td>Blaxland, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hawker, Hon. David Peter Maxwell</td>
<td>Wannon, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Hayes, Christopher Patrick</td>
<td>Werriwa, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Henry, Stuart</td>
<td>Hasluck, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Hoare, Kelly Joy</td>
<td>Charlton, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hockey, Hon. Joseph Benedict</td>
<td>North Sydney, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Howard, Hon. John Winston</td>
<td>Bennelong, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Hull, Kay Elizabeth</td>
<td>Riverina, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Hunt, Hon. Gregory Andrew</td>
<td>Flinders, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Irwin, Julia Claire</td>
<td>Fowler, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Jenkins, Henry Alfred</td>
<td>Scullin, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Jensen, Dennis Geoffrey</td>
<td>Tangney, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Johnson, Michael Andrew</td>
<td>Ryan, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Jull, Hon. David Francis</td>
<td>Fadden, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Katter, Hon. Robert Carl</td>
<td>Kennedy, Qld</td>
<td>Ind</td>
</tr>
<tr>
<td>Keenan, Michael Fayat</td>
<td>Stirling, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Kelly, Hon. De-Anne Margaret</td>
<td>Dawson, Qld</td>
<td>Nats</td>
</tr>
<tr>
<td>Kelly, Hon. Jacqueline Marie</td>
<td>Lindsay, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Kerr, Hon. Duncan James Colquhoun, SC</td>
<td>Denison, Tas</td>
<td>ALP</td>
</tr>
<tr>
<td>King, Catherine Fiona</td>
<td>Ballarat, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Laming, Andrew Charles</td>
<td>Bowman, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Lawrence, Hon. Carmen Mary</td>
<td>Fremantle, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Ley, Hon. Susan Penelope</td>
<td>Farrer, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Lindsay, Hon. Peter John</td>
<td>Herbert, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Livermore, Kirsten Fiona</td>
<td>Capricornia, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Lloyd, Hon. James Eric</td>
<td>Robertson, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Macfarlane, Hon. Ian Elgin</td>
<td>Groom, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Macklin, Jennifer Louise</td>
<td>Jagajaga, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Markus, Louise Elizabeth</td>
<td>Greenway, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>May, Margaret Ann</td>
<td>McPherson, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>McArthur, Fergus Stewart</td>
<td>Corangamite, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>McClelland, Robert Bruce</td>
<td>Barton, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>McGauran, Hon. Peter John</td>
<td>Gippsland, Vic</td>
<td>Nats</td>
</tr>
<tr>
<td>McMullan, Robert Francis</td>
<td>Fraser, ACT</td>
<td>ALP</td>
</tr>
<tr>
<td>Member</td>
<td>Division</td>
<td>Party</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Melham, Daryl</td>
<td>Banks, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Mirabella, Sophie</td>
<td>Indi, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Moylan, Hon. Judith Eleanor</td>
<td>Pearce, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Murphy, John Paul</td>
<td>Lowe, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Nairn, Hon. Gary Roy</td>
<td>Eden-Monaro, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Nelson, Hon. Brendan John</td>
<td>Bradfield, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Neville, Paul Christopher</td>
<td>Hinkler, Qld</td>
<td>Nats</td>
</tr>
<tr>
<td>O’Connor, Brendan Patrick John</td>
<td>Gorton, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>O’Connor, Gavan Michael</td>
<td>Corio, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Owens, Julie Ann</td>
<td>Parramatta, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Pearce, Hon. Christopher John</td>
<td>Aston, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Plibersek, Tanya Joan</td>
<td>Sydney, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Price, Hon. Leo Roger Spurway</td>
<td>Chifley, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Prosser, Hon. Geoffrey Daniel</td>
<td>Forrest, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Pyne, Hon. Christopher Maurice</td>
<td>Sturt, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Quick, Harry Vernon</td>
<td>Franklin, Tas</td>
<td>ALP</td>
</tr>
<tr>
<td>Randall, Don James</td>
<td>Canning, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Richardson, Kym</td>
<td>Kingston, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Ripoll, Bernard Fernando</td>
<td>Oxley, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Robb, Hon. Andrew John, AO</td>
<td>Goldstein, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Roxon, Nicola Louise</td>
<td>Gellibrand, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Rudd, Kevin Michael</td>
<td>Griffith, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Ruddock, Hon. Philip Maxwell</td>
<td>Berowra, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Sawford, Rodney Weston</td>
<td>Port Adelaide, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Schultz, Albert John</td>
<td>Hume, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Scott, Hon. Bruce Craig</td>
<td>Maranoa, Qld</td>
<td>Nats</td>
</tr>
<tr>
<td>Secker, Patrick Damien</td>
<td>Barker, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Sercombe, Robert Charles Grant</td>
<td>Maribyrnong, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Slipper, Hon. Peter Neil</td>
<td>Fisher, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Smith, Hon. Anthony David Hawthorn</td>
<td>Casey, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Smith, Stephen Francis</td>
<td>Perth, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Snowdon, Hon. Warren Edward</td>
<td>Lingiari, NT</td>
<td>ALP</td>
</tr>
<tr>
<td>Somlyay, Hon. Alexander Michael</td>
<td>Fairfax, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Southcott, Andrew John</td>
<td>Boothby, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Stone, Hon. Sharman Nancy</td>
<td>Murray, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Swan, Wayne Maxwell</td>
<td>Lilley, Qld</td>
<td>ALP</td>
</tr>
<tr>
<td>Tanner, Lindsay James</td>
<td>Melbourne, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Thompson, Cameron Paul</td>
<td>Blair, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Thomson, Kelvin John</td>
<td>Wills, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Ticehurst, Kenneth Vincent</td>
<td>Dobell, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Tollner, David William</td>
<td>Solomon, NT</td>
<td>CLP</td>
</tr>
<tr>
<td>Truss, Hon. Warren Errol</td>
<td>Wide Bay, Qld</td>
<td>Nats</td>
</tr>
<tr>
<td>Tuckey, Hon. Charles Wilson</td>
<td>O’Connor, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Turnbull, Hon. Malcolm Bligh</td>
<td>Wentworth, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Vale, Hon. Mark Anthony James</td>
<td>Lyne, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Vale, Hon. Danna Sue</td>
<td>Hughes, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Vamvakou, Maria</td>
<td>Calwell, Vic</td>
<td>ALP</td>
</tr>
<tr>
<td>Vasta, Ross Xavier</td>
<td>Bonner, Qld</td>
<td>LP</td>
</tr>
<tr>
<td>Wakelin, Barry Hugh</td>
<td>Grey, SA</td>
<td>LP</td>
</tr>
</tbody>
</table>
Members of the House of Representatives

<table>
<thead>
<tr>
<th>Member</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washer, Malcolm James</td>
<td>Moore, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Wilkie, Kim William</td>
<td>Swan, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Windsor, Antony Harold Curties</td>
<td>New England, NSW</td>
<td>Ind</td>
</tr>
<tr>
<td>Wood, Jason Peter</td>
<td>La Trobe, Vic</td>
<td>LP</td>
</tr>
</tbody>
</table>

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

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

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

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

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

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

Minister for the Arts and Sport
Senator the Hon. George Henry Brandis SC

Minister for Community Services
Senator the Hon. Nigel Gregory Scullion

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

Special Minister of State
The Hon. Gary Roy Nairn MP

Minister for Vocational and Further Education
The Hon. Andrew John Robb MP

Minister for Ageing
Senator the Hon. Santo Santoro

Minister for Small Business and Tourism
The Hon. Frances Esther Bailey MP

Minister for Local Government, Territories and Roads
The Hon. James Eric Lloyd MP

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

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

Assistant Minister for Health and Ageing
The Hon. Christopher Maurice Pyne MP

Assistant Minister for the Environment and Water Resources
The Hon. John Kenneth Cobb MP

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

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

Parliamentary Secretary to the Minister for Defence
The Hon. Peter John Lindsay MP

Parliamentary Secretary to the Minister for Transport and Regional Services
The Hon. De-Anne Margaret Kelly MP

Parliamentary Secretary to the Minister for Immigration and Citizenship
The Hon. Teresa Gambaro MP

Parliamentary Secretary to the Prime Minister
The Hon. Anthony David Hawthorn Smith MP

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

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

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

Parliamentary Secretary to the Minister for Foreign Affairs
The Hon. Gregory Andrew Hunt MP
SHADOW MINISTRY

Leader of the Opposition
Kevin Michael Rudd MP

Deputy Leader of the Opposition, Shadow
Minister for Employment and Industrial
Relations and Shadow Minister for Social
Inclusion
Julia Eileen Gillard MP

Leader of the Opposition in the Senate and
Shadow Minister for National Development,
Resources and Energy
Senator Christopher Vaughan Evans

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

Shadow Minister for Infrastructure and Water and
Manager of Opposition Business in the House
Anthony Norman Albanese MP

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

Shadow Assistant Treasurer and Shadow Minister
for Revenue and Competition Policy
Christopher Eyles Bowen MP

Shadow Minister for Immigration, Integration and
Citizenship
Anthony Stephen Burke MP

Shadow Minister for Industry and Shadow
Minister for Innovation, Science and Research
Senator Kim John Carr

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

Shadow Minister for Service Economy, Small
Business and Independent Contractors
Craig Anthony Emerson MP

Shadow Minister for Multicultural Affairs, Urban
Development and Consumer Affairs
Laurence Donald Thomas Ferguson MP

Shadow Minister for Transport, Roads and
Tourism
Martin John Ferguson MP

Shadow Minister for Defence
Joel Andrew Fitzgibbon MP

Shadow Minister for Climate Change,
Environment and Heritage and Shadow
Minister for the Arts
Peter Robert Garrett MP

Shadow Minister for Veterans’ Affairs, Shadow
Minister for Defence Science and Personnel and
Shadow Special Minister of State
Alan Peter Griffin MP

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

Shadow Minister for Sport, Recreation and Health
Promotion and Shadow Minister for Local
Government
Senator Kate Alexandra Lundy

Shadow Minister for Families and Community
Services and Shadow Minister for Indigenous
Affairs and Reconciliation
Jennifer Louise Macklin MP

Shadow Minister for Foreign Affairs
Robert Bruce McClelland MP

Shadow Minister for Ageing, Disabilities and
Carers
Senator Jan Elizabeth McLucas
| Shadow Minister for Federal/State Relations and Shadow Minister for International Development Assistance | Robert Francis McMullan MP |
| Shadow Minister for Primary Industries, Fisheries and Forestry | Senator Kerry Williams Kelso O’Brien |
| 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 |
CONTENTS

WEDNESDAY, 28 FEBRUARY

Chamber
Higher Education Legislation Amendment (2007 Measures No. 1) Bill 2007—
  First Reading ................................................................................................................. 1
  Second Reading ............................................................................................................... 1
Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Amendment Bill 2007—
  First Reading ................................................................................................................. 3
  Second Reading .............................................................................................................. 3
Superannuation Legislation Amendment (Trustee Board and Other Measures) (Consequential Amendments) Bill 2007—
  First Reading ................................................................................................................. 5
  Second Reading .............................................................................................................. 5
Human Services (Enhanced Service Delivery) Bill 2007—
  Consideration in Detail ................................................................................................. 6
  Third Reading ................................................................................................................ 11
Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007—
  Second Reading ............................................................................................................. 11
  Third Reading ................................................................................................................ 28
Aviation Transport Security Amendment (Additional Screening Measures) Bill 2007—
  Second Reading ............................................................................................................. 28
  Third Reading ................................................................................................................ 46
Corporations Amendment (Takeovers) Bill 2007—
  Second Reading ............................................................................................................. 46
  Consideration in Detail ................................................................................................. 52
  Third Reading ................................................................................................................ 54
Tax Laws Amendment (2007 Measures No. 1) Bill 2007—
  Second Reading ............................................................................................................. 54
Questions Without Notice—
  Productivity ................................................................................................................... 65
  Small Business ................................................................................................................ 65
  Education ........................................................................................................................ 66
  Superannuation .............................................................................................................. 67
Distinguished Visitors......................................................................................................... 67
Questions Without Notice—
  Education ........................................................................................................................ 68
  Transport Infrastructure ................................................................................................. 68
  Child Care and Early Childhood Education .................................................................. 69
  Uranium Exports .......................................................................................................... 70
  Education ........................................................................................................................ 71
  Employment .................................................................................................................... 72
  Renewable Energy ........................................................................................................ 73
  Health ............................................................................................................................... 74
  Nuclear Energy .............................................................................................................. 76
  People Smuggling .......................................................................................................... 76
  Nuclear Energy .............................................................................................................. 78
  Renewable Energy ........................................................................................................ 79
  Workplace Relations .................................................................................................... 80
  Work for the Dole .......................................................................................................... 81
  Workplace Relations .................................................................................................... 82
Questions to the Speaker—
  Parliamentary Language................................................................. 82
  Parliamentary Language................................................................. 83
  Parliamentary Language................................................................. 83
  Parliamentary Language................................................................. 84
  Parliamentary Language................................................................. 84
  Personal Explanations........................................................................ 84
Matters of Public Importance—
  Education......................................................................................... 85
Electoral and Referendum Legislation Amendment Bill 2006,
Income Tax Rates Amendment (Superannuation) Bill 2007,
Income Tax (Former Non-resident Superannuation Funds) Amendment Bill 2007,
Income Tax (Former Complying Superannuation Funds) Amendment Bill 2007,
Income Tax Amendment Bill 2007,
Superannuation Legislation Amendment (Simplification) Bill 2007,
Superannuation (Self Managed Superannuation Funds) Supervisory Levy Amendment Bill 2006,
Superannuation (Departing Australia Superannuation Payments Tax) Bill 2006,
Superannuation (Excess Untaxed Roll-over Amounts Tax) Bill 2006,
Superannuation (Excess Non-concessional Contributions Tax) Bill 2006,
Superannuation (Excess Concessional Contributions Tax) Bill 2006 and
Tax Laws Amendment (Simplified Superannuation) Bill 2006—
  Returned from the Senate................................................................. 100
Offshore Petroleum Amendment (Greater Sunrise) Bill 2007—
  Report from Main Committee......................................................... 100
  Third Reading................................................................................ 100
Broadcasting Legislation Amendment Bill 2007—
  Report from Main Committee......................................................... 100
  Third Reading................................................................................ 101
Customs Tariff Amendment (Greater Sunrise) Bill 2007—
  Report from Main Committee......................................................... 101
  Third Reading................................................................................ 101
Tourism Australia Amendment Bill 2007 and
Statute Law Revision Bill (No. 2) 2006—
  Referred to Main Committee......................................................... 101
Tax Laws Amendment (2007 Measures No. 1) Bill 2007—
  Second Reading.............................................................................. 101
  Third Reading................................................................................ 108
Migration Amendment (Maritime Crew) Bill 2007—
  Second Reading.............................................................................. 108
  Third Reading................................................................................ 134
Customs Legislation Amendment (Augmenting Offshore Powers and
Other Measures) Bill 2006—
  Second Reading.............................................................................. 134
Adjournment—
  Terrorism......................................................................................... 140
  Human Rights: Vietnam................................................................. 141
  Workplace Relations...................................................................... 142
  Condolences: Mr Billy Thorpe....................................................... 143
  Sale of Currawong........................................................................... 145
CONTENTS—continued

Wakefield Electorate ........................................................................................................ 146
Notices ........................................................................................................................ ........... 147
Main Committee
Statements by Members—
  Multiculturalism ............................................................................................................... 148
Distinguished Visitors ........................................................................................................ 149
Statements By Members—
  Australian Defence Force ................................................................................................. 149
  Telstra ....................................................................................................................................... 149
  Ryan Electorate: School Funding ......................................................................................... 150
  Climate Change .................................................................................................................. 151
  HMAS Yarra ....................................................................................................................... 152
  Diabetes ............................................................................................................................. 152
  Road Safety ....................................................................................................................... 153
  Chifley Electorate: St Mary’s Senior High School .............................................................. 154
  Paterson Electorate: Roads ................................................................................................. 154
Broadcasting Legislation Amendment Bill 2007—
  Second Reading ................................................................................................................ 155
Offshore Petroleum Amendment (Greater Sunrise) Bill 2007 and
Customs Tariff Amendment (Greater Sunrise) Bill 2007—
  Second Reading ................................................................................................................ 157
Condolences—
  Hon. Sir Robert Carrington Cotton KCMG, AO ............................................................... 176
  Hon. Sir Denis James Killen AC, KCMG ........................................................................ 176
Questions In Writing
  Nyangatjatjara Aboriginal Corporation—(Question No. 4176) ............................................. 184
  Prince of Orange and Princess Maxima of the Netherlands: Travel Costs—
    (Question No. 4837) .......................................................................................................... 185
  Australian Broadcasting Corporation—(Question No. 4854) ............................................ 186
  Welfare to Work—(Question No. 4869) ............................................................................. 186
  Defence: Charter Vessels—(Question No. 4877) ............................................................... 187
  Agriculture, Fisheries and Forestry: Charter Vessels—(Question No. 4878) ..................... 187
  Live Animal Exports—(Question No. 4881) .................................................................... 188
  Live Animal Exports—(Question No. 4882) .................................................................... 188
  Thailand—(Question No. 4886) ....................................................................................... 189
  Taxation: Migrants—(Question No. 4892) .................................................................... 189
  Centrelink: Payments—(Question No. 4904) .................................................................. 190
  Australian Broadcasting Corporation—(Question No. 4906) ........................................... 190
  Doctors—(Question No. 4916) ....................................................................................... 191
  Defence: Rifle Ranges—(Question No. 4925) .................................................................. 191
  Australian Defence Force: Deployment—(Question No. 4940) ...................................... 191
  Mr Jean-Philippe Wispelaere—(Question No. 4941) ......................................................... 192
  Joint Strike Fighter—(Question No. 4945) ...................................................................... 192
  Asia-Pacific: Forest Management—(Question No. 4958) ................................................ 193
  US Strategic Bomber Training Program—(Question No. 4963) ...................................... 206
  Defence: Visiting Warships—(Question No. 4964) ............................................................. 206
  East Timor—(Question No. 4968) ................................................................................... 207
  Afghanistan—(Question No. 4969) ................................................................................... 209
The SPEAKER (Hon. David Hawker) took the chair at 9 am and read prayers.

HIGHER EDUCATION LEGISLATION AMENDMENT (2007 MEASURES No. 1) BILL 2007

First Reading

Bill and explanatory memorandum presented by Ms Julie Bishop.

Bill read a first time.

Second Reading

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (9.01 am)—I move:

That this bill be now read a second time.

The bill amends the Higher Education Support Act 2003 to provide funding to support the implementation of the Research Quality Framework (RQF).

It will also make important changes to our higher education sector by implementing a revised set of National Protocols for Higher Education Approval Processes. The revised protocols will provide greater diversity within our higher education sector by allowing new types of institutions to operate in Australia.


The bill highlights this government’s commitment to achieving both excellence and relevance in research. The Research Quality Framework will ensure taxpayers’ money is being invested in research of the highest quality which delivers real benefits to the higher education sector, to business and the wider community.

Recognising there will be implementation costs, this bill provides around $41 million for two programs to assist universities and other higher education providers with the implementation of the Research Quality Framework. The Australian Scheme for Higher Education Repositories program will support the establishment of digital repositories throughout the higher education sector. The Implementation Assistance Program will provide support to assist institutions with new administrative and information systems for the Research Quality Framework.

The bill also amends the Higher Education Support Act 2003 to reflect changes to the National Protocols for Higher Education Processes. The national protocols were first agreed by the Ministerial Council on Education, Employment, Training and Youth Affairs in 2000, and regulate the recognition of new universities, the operation of overseas universities in Australia and the accreditation of courses offered by higher education institutions. In other words, the national protocols are the ‘gateway’ to our higher education system.

In July 2006, Ministers approved a set of revised national protocols to take effect from 31 December 2007, which will require legislative change in all jurisdictions.

Revisions to the national protocols are the outcome of extensive consultations involving state, territory and Commonwealth governments and the higher education sector. The revisions make possible the emergence of specialist universities, concentrating teaching and research efforts in only one or two broad fields of study.

The revised protocols provide pathways for more institutions to become self-accrediting, where they have a strong track record in higher education delivery and quality assurance. They also allow new universi-
ties to develop from provisional ‘university colleges’ under the sponsorship of an established university.

Another significant change is the extension of the national protocols to apply to all new and existing higher education institutions.

All of these changes align well with this government’s vision for a more diverse Australian higher education sector. A diverse and high-quality higher education sector has the flexibility to respond to volatile international markets. Greater diversity will promote choice for students, staff and employers, and encourage competition and excellence amongst institutions.

In separate measures, the bill allows for the first time cross-institutional arrangements to be extended to Commonwealth supported students at non-table A higher education providers. Previously, Commonwealth supported students were only able to undertake study in Commonwealth supported places in a cross-institutional arrangement between table A providers. This amendment provides greater flexibility for providers and extends the range of study options available to Commonwealth supported students.

The bill sets a six-week time limit for a student to correct information affecting their eligibility for Commonwealth assistance.

The bill contains a number of technical amendments that will clarify existing Higher Education Loan Program and Commonwealth supported student arrangements and ensure the legislation reflects original policy intent.

The bill clarifies the overseas study requirements in relation to eligibility for OS-HELP assistance by enabling a student to apply for OS-HELP assistance if they are already overseas.

The bill ensures that higher education providers may determine the campuses at which units of study will be offered to Commonwealth supported students. This amendment will allow providers to stipulate that a student may be Commonwealth supported for their units of study, only if the student undertakes those units at a particular campus of the provider.

The bill requires that Commonwealth supported students must reside in Australia while undertaking their studies (although provision is made to ensure entitlement to Commonwealth support and assistance where a student is required to be overseas for part of their course of study).

The bill will ensure that permanent residents will not be entitled to Commonwealth support or HECS-HELP or FEE-HELP assistance if they are undertaking their entire course of study overseas.

In addition to these measures the bill contains some minor technical amendments which will improve the overall operation of the Higher Education Support Act 2003. One such measure is to ensure that the suspension of approval as a higher education provider under the Act will be a legislative instrument and therefore made publicly available on the Federal Register of Legislative Instruments.

This bill builds on the $8.2 billion investment this government is making in higher education this year, a 26 per cent real increase on 1995. Australia does compare well internationally in education. Around 31 per cent of Australians aged 25 to 64 have a tertiary qualification compared to the OECD country mean of 25 per cent. Thirty-five per cent of Australian 19-year-olds are engaged in tertiary education which is seven per cent higher than the OECD average. To suggest that the Australian government’s investment in tertiary education declined between 1995
and 2003 is simply wrong. That is only taking half the picture—and leaving out much of our training expenditure and taxpayer subsidies to higher education students. Including such public subsidies, Commonwealth funding for postschool education has increased by 35 per cent in real terms since 1995-96.

This bill before the House is a clear expression of the Australian government’s strong commitment to higher education and will enhance the quality and diversity of our higher education system and the choices available to our students. It reflects the government’s commitment to ensuring that Australia’s research and higher education sectors continue to play a vital role in our ongoing economic prosperity.

I commend the bill to the House.

Debate (on motion by Mr Crean) adjourned.

SCHOOLS ASSISTANCE (LEARNING TOGETHER—ACHIEVEMENT THROUGH CHOICE AND OPPORTUNITY) AMENDMENT BILL 2007

First Reading

Bill and explanatory memorandum presented by Ms Julie Bishop.

Bill read a first time.

Second Reading

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (9.10 am)—I move:

That this bill be now read a second time.

The purpose of the bill is to amend the Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Act 2004, which provides funding to states and territories for government schools and funding for non-government schools for the 2005-08 funding quadrennium.

The Australian government will provide a record estimated $33 billion in funding for Australian schools over the four years from 2005 to 2008. This is the largest ever commitment by an Australian government to schooling in Australia. Funding to Australian schools has increased by close to 160 per cent, from $3.5 billion in 1996 to $9.3 billion in 2006-07.

While the Australian government provides record funding, state and territory governments are failing to adequately support schools which they own and manage. For example, in 2006-07 the Australian government increased its funding to state government schools by an average of 11 per cent while at the same time state Labor governments increased their funding by only 4.9 per cent. Had they matched our increased rate of funding there would be an extra $1.4 billion for Australian state government schools. This demonstrates a worrying trend of chronic neglect of state government schools by state and territory Labor governments. The additional funding being provided in this bill demonstrates the Howard government’s ongoing commitment to ensuring that students, wherever they live, receive a high-quality education in a high-quality school from a high-quality teacher.

The bill provides increased funding to the extremely successful $1 billion Investing in Our Schools program. There has been an overwhelming response from school communities around Australia for funding under this program introduced by the Howard government. Through the first three rounds of the program more than 18,000 applications for funding have been received. That is, on average, close to three applications for funding submitted per state government school.

The program is popular as it provides schools with an opportunity to tell the Australian government directly about the educa-
tional items and the infrastructure projects that are important to their school communities and that are not being funded by the state governments. So far the Australian government has provided more than $650 million for 15,000 vital projects in 6,100 state government schools; $210 million has been provided for 2,031 projects in 1,603 non-government schools. To put this funding in perspective, almost 90 per cent of state government schools across Australia have received funding through the Howard government’s Investing in Our Schools program.

Due to the overwhelming demand by schools, the Prime Minister recently announced additional funding for the program. This bill will provide an additional $181 million to invest in Australian schools through this program. The additional funding will provide an extra $127 million for state government schools and an extra $54 million for non-government schools. When this fourth round is complete, total funding provided to Australian schools under the program will be almost $1.2 billion.

The additional IOSP funding will be targeted towards schools that have received little or no funding to date under the program. For government schools, funding will be targeted to those schools which have received less than $100,000. It will allow these schools to apply for projects which will take their total approved grants from all rounds of the program up to a maximum of $100,000. For non-government schools, the additional funds are for grants of up to $75,000 and these will be targeted to schools that have received little or no funding under the program to date.

I am told over and over again by teachers and principals that this program is delivering on a range of often overlooked but still important educational items and infrastructure projects that never seem to make it onto the priority list of state and territory education bureaucracies. Parents tell me that this program has now provided funding for things like classroom improvements, shade structures, play equipment, library resources, computer equipment, air conditioning and heating—some of the most fundamental items that a school would need.

In addition to this program, funding is provided to state government and non-government schools through the capital grants program to improve school infrastructure. Under the capital grants program an estimated $1.7 billion is also being provided by the Howard government over 2005-08 to assist with the building, maintenance and updating of schools throughout Australia. The act currently provides an estimated $1.2 billion in capital grant funding for state and territory government schools and an estimated $489 million for Catholic and independent schools.

The bill will appropriate $11.7 million for capital funding for non-government schools for 2008 to maintain the existing funding level. Without this amendment capital funding for non-government schools for 2008 will decrease.

The final measure in this bill is to provide $9.445 million for the national projects element of the Literacy, Numeracy and Special Learning Needs Program for 2008. This is to ensure continued funding to the end of the quadrennium. This program will support strategic national research projects and initiatives aimed at improving the learning outcomes of educationally disadvantaged students. Projects funded include the Literacy and Numeracy in the Middle Years of Schooling initiative; the annual National Literacy and Numeracy Week, which has activities across Australia, including national school and individual awards for improving literacy and numeracy; the Read Aloud
Summit and the National Simultaneous Story Time initiative. These national projects underpin the Howard government’s efforts to ensure that education policy, school practice and classroom teaching are effective in raising the literacy and numeracy of disadvantaged students.

This bill maintains the Australian government’s commitment to a strong school sector by assisting government and non-government schools with vital educational items, important building projects and improvements in literacy and numeracy standards, which will support improved educational outcomes for all Australian students. I commend this bill to the House.

Debate (on motion by Mr Stephen Smith) adjourned.

SUPERANNUATION LEGISLATION AMENDMENT (TRUSTEE BOARD AND OTHER MEASURES) (CONSEQUENTIAL AMENDMENTS) BILL 2007

First Reading

Bill and explanatory memorandum presented by Mr Nairn.

Bill read a first time.

Second Reading

Mr NAIRN (Eden-Monaro—Special Minister of State) (9.17 am)—I move:

That this bill be now read a second time.

The Superannuation Legislation Amendment (Trustee Board and Other Measures) (Consequential Amendments) Bill 2007 proposes amendments which will update a range of legislation, largely as a consequence of other legislative changes.

The bill amends 30 acts as a consequence of the establishment of the Public Sector Superannuation Accumulation Plan and the consolidation of the governance arrangements for the superannuation schemes for Australian government employees.

The Public Sector Superannuation Accumulation Plan, the PSSAP, was established on 1 July 2005. It replaced the Public Sector Superannuation Scheme, the PSS, as the main superannuation scheme for new Australian government employees and office holders.

Many Commonwealth acts include references to the PSS when dealing with the terms and conditions of employment for persons engaged under those acts. The bill proposes amendments to those acts to also include a reference to PSSAP where appropriate, reflecting the likelihood that many future employees and office holders engaged under those acts could be PSSAP members.

The amendments include provisions intended to emphasise the requirement of the Superannuation Act 2005 that PSSAP contributory members may not be retired on invalidity grounds without the prior approval of the scheme’s trustee. Similar arrangements also apply for employees who are members of the PSS and the Commonwealth Superannuation Scheme, the CSS, which was the main Australian government superannuation scheme prior to the PSS.

Amendments are also proposed to a number of Commonwealth acts to reflect the consolidation of the governance arrangements for the three major superannuation schemes for Australian government employees—the CSS, the PSS and the PSSAP. Since 1 July 2006, the Australian Reward Investment Alliance, ARIA, has been the trustee for the three schemes. The Superannuation Legislation Amendment (Trustee Board and Other Measures) Act 2006 transferred all the functions of the CSS board to the PSS board, which was already the trustee for the PSS and the PSSAP. The PSS board was renamed as ARIA and the CSS board was abolished.
The bill makes a number of technical amendments to reflect these changes.

From 1 July 2008, the superannuation guarantee requirements will be changed to simplify the earnings base of an employee for superannuation guarantee purposes. This will replace the existing arrangements which allow earnings bases that existed before 21 August 1991 to be used to calculate an employer’s superannuation guarantee obligations in respect of an employee. From 1 July 2008 those employers will be required to calculate their superannuation guarantee liability using an employee’s ordinary time earnings, in line with the requirements applying to other employers.

Contributions and benefits for Australian government employees whose superannuation is provided under the Superannuation Act 1976 and the Superannuation (Productivity Benefit) Act 1988 are currently calculated using an earnings base that existed before 21 August 1991. The bill includes amendments to allow those acts to provide minimum benefits that will comply with the changes to the superannuation guarantee earning base from 1 July 2008, and any future changes to the superannuation guarantee.

The amendments to the Superannuation Act 1976, in respect of the CSS, provide for the necessary changes to be made to the CSS by regulation. Those changes will be made once regulations have been made under the Superannuation Guarantee (Administration) Act 1992 to apply the 2008 changes to the earnings base to defined benefit schemes like the CSS. This regulation power is necessary to ensure that the changes to the CSS can be in place by 1 July 2008. The changes made to the CSS by regulation will subsequently be inserted into the Superannuation Act 1976 when an opportunity arises after that time to make amendments to that act.

ARIA makes periodic determinations of interest in respect of the CSS and the PSS to be applied to members’ accounts. Those rates are published on the scheme website, generally on the business day immediately after the rates become effective. Although these instruments are exempt from the Legislative Instruments Act 2003 the interest determinations for the CSS are required to be gazetted.

The bill amends the Superannuation Act 1976 to remove the requirement that CSS interest rate determinations be gazetted. This will result in consistent arrangements for CSS and PSS interest determinations. ARIA has given an undertaking that the interest rates will continue to be published on the CSS website.

The remaining changes in the bill are of a technical nature. For example, a number of acts which make superannuation arrangements for Australian government employees and members of parliament are to be amended to clarify that certain instruments made under those acts are subject to the Legislative Instruments Act 2003 and continue to be subject to parliamentary scrutiny and possible disallowance. I commend the bill to the House.

Debate (on motion by Mr Crean) adjourned.

HUMAN SERVICES (ENHANCED SERVICE DELIVERY) BILL 2007

Consideration in Detail

Consideration resumed from 27 February.

Ms PLIBERSEK (Sydney) (9.24 am)—by leave—I move:

(3) Clause 30, page 31 (line 10), table "Information on the surface of your access card", omit item 2, substitute the following item
Amendments (3) and (4) that I am circulating reflect key recommendations made by Professor Allan Fels in his report on the privacy aspects of the access card. Professor Fels recommended that people’s digital signature and a new, unique identifier number not be printed on the access card itself unless an individual prefers those things to be printed onto the card. Of course, Labor agrees with Professor Fels. More importantly, we certainly trust his views on the privacy aspects of this card much more than we do the drafters of this legislation, who have absolutely botched this from start to finish.

We believe that Professor Fels’s judgment on how to protect people’s private information is certainly better than the government’s, particularly as the government have so many competing interests here and have made so many unacceptable compromises in relation to people’s privacy from the very start. The government appointed Professor Fels in the first place to advise them on the privacy aspects of the card. It would be great if they actually took his advice.

There are many pieces of information that the government already proposes be contained on the chip of the card or the register and not on the face of the card. We do not see why the digital signature, if it is necessary at all, and the unique identifier number could not be included in that category of things including date of birth, address, donor status, concession status and so on. Certainly, if people preferred to have their individual number on the card for reasons of convenience, they could opt to do so. I am not saying that they should not be able to opt to do so if this legislation passes. However, having it there automatically makes very little sense.

There has been a strong argument put by many, including members of the government’s own backbench, that the photograph need not be included on the face of the card either and could be read with the card reader that would be available to doctors, pharmacists, Centrelink officers and other people who actually need to use the card to verify someone’s identity. I think there is a very strong argument that the photo could also fall in this category.

The government have given no convincing argument as to why they have said yes to the rest of Professor Fels’s recommendations and not to these two. The only reason the government have given for having the number is that it is convenient for people who are ringing up Centrelink. If they want that convenience then they can opt to have that convenience or they can store their number separately if they prefer to and not risk putting this vital piece of information on a card, where it is easy to steal and misuse. Also, having the number on the card will not prevent people having to go through the rigmarole of answering other questions of identification like mother’s maiden name, first pet and all of the rest of it.

The obvious problem with the signature being stored on the card is that many businesses will photocopy a person’s card. I know that the government pretend that this will not happen because the card, of course, is not an ID card, according to them. But anyone who has half a brain will realise that
it will very quickly become used by businesses as a de facto ID card. We have seen so many examples where businesses have misused signatures and other identifying information to commit identity fraud or to misuse a person’s credit card details. We saw a range of these exposed on A Current Affair recently, which showed shonky businesses saving signatures intentionally to commit identity fraud.

There are a number of very strong reasons that the information contained on any card that is designed, as the government says, simply to facilitate simplified access to Centrelink, Medicare and other services should have as little information on it as possible. The more information that is on the card and the more information that is contained on the register, the easier this card is to steal and misuse, the more attractive it is to criminals seeking to do that and, more importantly, the easier it is for this card to then become, with the stroke of a pen, the national ID card that the government keeps saying is not intended here. The more information that is contained on the face of the card, the more like an identity card this is. Certainly, given it has a name, a photograph, an individual number, a signature and so on, I would really challenge anyone on the government side to explain how this card would be any different to a national identity card used in other countries. Indeed, it certainly contains more information than was ever proposed for the Australia Card. *(Time expired)*

Question put: That the amendments (Ms Plibersek’s) be agreed to.

The House divided. * [9.34 am] *(The Deputy Speaker—Mr Haase)*

Ayes………… 55
Noes………… 75
Majority………. 20

AYES

NOES
Wednesday, 28 February 2007  HOUSE OF REPRESENTATIVES

Macfarlane, I.E.  Markus, L.
May, M.A.  McArthur, S. *
McGauran, P.J.  Mirabella, S.
Moylan, J.E.  Nairn, G.R.
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.  Turnbull, M.
Vale, D.S.  Vasta, R.
Wakelin, B.H.  Washer, M.J.
Wood, J.

* denotes teller

Question negatived.

Ms PLIBERSEK (Sydney) (9.39 am)—I move opposition amendment (5):

(5) Clause 42, page 39 (line 11), omit “You are not required to carry your card at all times.”. substitute “You are not required to carry your card at any time.”.

Amendment (5) seeks to clarify what this government has said about the card not being a national ID card. If this is not a national ID card, then Australian citizens should not be required to carry it in their day-to-day lives. At the moment the legislation says that Australians will not be required to carry the card at all times. That is fantastic. So if they are in the bath they are not required to carry it or if they are out swimming they are not required to carry it. Labor believes the legislation should say that they are not required to carry it at any time other than the times they need the card to access particular government services. This is a simple change that the government should agree to on the basis that it will clarify that it is not their intention for this to be a national ID card—unless it really is their intention for this to be a national ID card.

I am not sure whether the wording the government has used is an example of poor drafting—it could be because, goodness knows, there is enough poor drafting in this legislation to move 200 amendments—or whether this set of words is intended to leave open the possibility for the access card to be demanded in broader situations than just those of accessing health and social security services.

The need for this amendment was exemplified a couple of nights ago during the debate when the member for Moreton enthused in the parliament ‘Perhaps police officers will be furnished with a portable smartcard reader’ in the future so that Australians can be stopped in the street for an identity check. I thought this was not an ID card. Are we going to have police checking people’s identity cards with portable smartcard readers?

It is worth remembering that there is a Crown exemption included in this legislation, which means that if you are a public servant and you ask for the card, even when you are not entitled to ask for the card, you cannot get into trouble for doing it. If you are a Department of Immigration and Citizenship official and you stop someone and ask to see their identification card, you are doing the wrong thing, but because of the Crown exemption in this legislation you do not get pinged for doing the wrong thing. If you are a police officer and you ask to see a person’s card, although you are not entitled to see their card in the circumstances, because of the Crown exemption you do not get into trouble for it.

We believe that if it is true, as the government says, that it is not its intention for the access card to be an identity card then the government should clarify that by changing its wording that you are not required to carry the card at all times to, ‘You are not required to carry the card at any time,’ obviously with
the clarification that you need to present it when accessing particular services.

The member for Moncrieff hit it on the head when he said that this is a Trojan Horse for an identity card. We think the entire legislation is incredibly problematic, but we are hoping that the government will improve some of its most glaring weaknesses by accepting our amendment on this point.

Question put:

That the amendment (Ms Plibersek’s) be agreed to.

The House divided. [9.48 am]

(The Deputy Speaker—Mr Haase)

<table>
<thead>
<tr>
<th>AYES</th>
<th>57</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adams, D.G.H.</td>
<td>Albanese, A.N.</td>
</tr>
<tr>
<td>Andren, P.J.</td>
<td>Beazley, K.C.</td>
</tr>
<tr>
<td>Bevis, A.R.</td>
<td>Bird, S.</td>
</tr>
<tr>
<td>Bowen, C.</td>
<td>Burke, A.E.</td>
</tr>
<tr>
<td>Burke, A.S.</td>
<td>Byrne, A.M.</td>
</tr>
<tr>
<td>Crean, S.F.</td>
<td>Danby, M. *</td>
</tr>
<tr>
<td>Edwards, G.J.</td>
<td>Elliot, J.</td>
</tr>
<tr>
<td>Ellis, A.L.</td>
<td>Ellis, K.</td>
</tr>
<tr>
<td>Ferguson, L.D.T.</td>
<td>Ferguson, M.J.</td>
</tr>
<tr>
<td>Fitzgibbon, J.A.</td>
<td>Garrett, P.</td>
</tr>
<tr>
<td>Georginas, S.</td>
<td>George, J.</td>
</tr>
<tr>
<td>Gibbons, S.W.</td>
<td>Gillard, J.E.</td>
</tr>
<tr>
<td>Grierson, S.J.</td>
<td>Griffin, A.P.</td>
</tr>
<tr>
<td>Hall, J.G. *</td>
<td>Hatton, M.J.</td>
</tr>
<tr>
<td>Hayes, C.P.</td>
<td>Hoare, K.J.</td>
</tr>
<tr>
<td>Irwin, J.</td>
<td>Kerr, D.J.C.</td>
</tr>
<tr>
<td>King, C.F.</td>
<td>Lawrence, C.M.</td>
</tr>
<tr>
<td>Livermore, K.F.</td>
<td>Macklin, J.L.</td>
</tr>
<tr>
<td>McClelland, R.B.</td>
<td>McMullan, R.F.</td>
</tr>
<tr>
<td>Melham, D.</td>
<td>Murphy, J.P.</td>
</tr>
<tr>
<td>O’Connor, B.P.</td>
<td>O’Connor, G.M.</td>
</tr>
<tr>
<td>Owens, J.</td>
<td>Plibersek, T.</td>
</tr>
<tr>
<td>Price, L.R.S.</td>
<td>Quick, H.V.</td>
</tr>
<tr>
<td>Ripoll, B.F.</td>
<td>Roxon, N.L.</td>
</tr>
<tr>
<td>Sawford, R.W.</td>
<td>Sercombe, R.C.G.</td>
</tr>
<tr>
<td>Snowdon, W.E.</td>
<td>Swan, W.M.</td>
</tr>
<tr>
<td>Tanner, L.</td>
<td>Thomson, K.J.</td>
</tr>
<tr>
<td>Vamvakinou, M.</td>
<td>Windsor, A.H.C.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NOES</th>
<th>77</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott, A.J.</td>
<td>Anderson, J.D.</td>
</tr>
<tr>
<td>Andrews, K.J.</td>
<td>Bailey, F.E.</td>
</tr>
<tr>
<td>Baird, B.G.</td>
<td>Baker, M.</td>
</tr>
<tr>
<td>Baldwin, R.C.</td>
<td>Barresi, P.A.</td>
</tr>
<tr>
<td>Bartlett, K.J.</td>
<td>Billson, B.F.</td>
</tr>
<tr>
<td>Bishop, B.K.</td>
<td>Bishop, J.J.</td>
</tr>
<tr>
<td>Broadbent, R.</td>
<td>Brough, M.T.</td>
</tr>
<tr>
<td>Cadman, A.G.</td>
<td>Causley, I.R.</td>
</tr>
<tr>
<td>Cofo, S.M.</td>
<td>Costello, P.H.</td>
</tr>
<tr>
<td>Draper, P.</td>
<td>Dutton, P.C.</td>
</tr>
<tr>
<td>Entsch, W.G.</td>
<td>Farmer, P.F.</td>
</tr>
<tr>
<td>Fawcett, D.</td>
<td>Ferguson, M.D.</td>
</tr>
<tr>
<td>Forrest, J.A.</td>
<td>Gambaro, T.</td>
</tr>
<tr>
<td>Gash, J.</td>
<td>Georgiou, P.</td>
</tr>
<tr>
<td>Hardgrave, G.D.</td>
<td>Hartsuyker, L.</td>
</tr>
<tr>
<td>Henry, S.</td>
<td>Hockey, J.B.</td>
</tr>
<tr>
<td>Hull, K.E. *</td>
<td>Hunt, G.A.</td>
</tr>
<tr>
<td>Jensen, D.</td>
<td>Johnson, M.A.</td>
</tr>
<tr>
<td>Jull, D.F.</td>
<td>Keenan, M.</td>
</tr>
<tr>
<td>Kelly, D.M.</td>
<td>Kelly, J.M.</td>
</tr>
<tr>
<td>Laming, A.</td>
<td>Lindsay, P.J.</td>
</tr>
<tr>
<td>Lloyd, J.E.</td>
<td>Macfarlane, I.E.</td>
</tr>
<tr>
<td>Markus, L.</td>
<td>May, M.A.</td>
</tr>
<tr>
<td>McArthur, S. *</td>
<td>McGauran, P.J.</td>
</tr>
<tr>
<td>Mirabella, S.</td>
<td>Moylan, J.E.</td>
</tr>
<tr>
<td>Nairn, G.R.</td>
<td>Nelson, B.J.</td>
</tr>
<tr>
<td>Neville, P.C.</td>
<td>Pearce, C.J.</td>
</tr>
<tr>
<td>Prosser, G.D.</td>
<td>Pyne, C.</td>
</tr>
<tr>
<td>Randall, D.J.</td>
<td>Richardson, K.</td>
</tr>
<tr>
<td>Robb, A.</td>
<td>Ruddock, P.M.</td>
</tr>
<tr>
<td>Schultz, A.</td>
<td>Scott, B.C.</td>
</tr>
<tr>
<td>Secker, P.D.</td>
<td>Slipper, P.N.</td>
</tr>
<tr>
<td>Smith, A.D.H.</td>
<td>Somlyay, A.M.</td>
</tr>
<tr>
<td>Southcott, A.J.</td>
<td>Stone, S.N.</td>
</tr>
<tr>
<td>Thompson, C.P.</td>
<td>Ticehurst, K.V.</td>
</tr>
<tr>
<td>Toller, D.W.</td>
<td>Turnbull, M.</td>
</tr>
<tr>
<td>Vale, D.S.</td>
<td>Vasta, R.</td>
</tr>
<tr>
<td>Wakelin, B.H.</td>
<td>Washer, M.J.</td>
</tr>
<tr>
<td>Wood, J.</td>
<td></td>
</tr>
</tbody>
</table>

*A denotes teller

Question negatived.

Question put:

That the bill be agreed to.

The House divided. [9.55 am]

(The Deputy Speaker—Mr Haase)
AYES

Abbott, A.J.  
Andrews, K.J.  
Baird, B.G.  
Baldwin, R.C.  
Bartlett, K.J.  
Bishop, B.K.  
Broadbent, R.  
Cadman, A.G.  
Ciobo, S.M.  
Draper, P.  
Entsch, W.G.  
Fawcett, D.  
Forrest, J.A.  
Gash, J.  
Hardgrave, G.D.  
Henry, S.  
Hull, K.E.*  
Jensen, D.  
Jull, D.F.  
Kelly, D.M.  
Laming, A.  
Lloyd, J.E.  
Markus, L.  
McArthur, S.*  
Mirabella, S.  
Nairn, G.R.  
Neville, P.C.  
Prosser, G.D.  
Randall, D.J.  
Robb, A.  
Schultz, A.  
Secker, P.D.  
Smith, A.D.H.  
Southcott, A.J.  
Thompson, C.P.  
Tollner, D.W.  
Vale, D.S.  
 Wakelin, B.H.  
Wood, J.  

NOES

Adams, D.G.H.  
Andren, P.J.  
 Bevis, A.R.  
 Bowen, C.  
Burke, A.S.  
Crean, S.F.  
Edwards, G.J.  
Ellis, A.L.  
Emerson, C.A.  
Ferguson, M.J.  
Garrett, P.  
George, J.  
Gillard, J.E.  
Gill, J.E.  
Hammond, R.C.  
Baker, M.  
Barresi, P.A.  
Billson, B.F.  
Bishop, J.I.  
Brough, M.T.  
Causley, I.R.  
Costello, P.H.  
Dutton, P.C.  
Farmer, P.F.  
Ferguson, M.D.  
Gambor, T.  
Georgiou, P.  
Hartson, L.  
Hockey, J.B.  
Hunt, G.A.  
Johnson, M.A.  
Keenan, M.  
Kelly, J.M.  
Lindsay, P.J.  
Macfarlane, I.E.  
May, M.A.  
McGauran, P.J.  
Moylan, J.E.  
Nelson, B.J.  
Pearce, C.J.  
Pyne, C.  
Richardson, K.  
Ruddock, P.M.  
Scott, B.C.  
Slipper, P.N.  
Somlyay, A.M.  
Stone, S.N.  
Ticehurst, K.V.  
Turnbull, M.  
Vasta, R.  
Washer, M.J.  
Albanese, A.N.  
Beazley, K.C.  
Bird, S.  
Burke, A.E.  
Byrne, A.M.  
Danby, M.*  
Elliot, J.  
Ellis, K.  
Ferguson, L.D.T.  
Fitzgibbon, J.A.  
Georganas, S.  
Gibbons, S.W.  
Grierson, S.J.  
Hall, J.G.*  
Hayes, C.P.  
Irwin, J.  
King, C.F.  
Livermore, K.F.  
McClelland, R.B.  
Melham, D.  
O’Connor, B.P.  
Owens, J.  
Price, L.R.S.  
Ripoll, B.F.  
Sawford, R.W.  
Snowdon, W.E.  
Tanner, L.  
Vamvakas, M.  
Windsor, A.H.C.  

* denotes teller

Question agreed to.

Bill agreed to.

Third Reading

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (9.58 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING AMENDMENT BILL 2007

Second Reading

Debate resumed from 15 February, on motion by Mr Ruddock:

That this bill be now read a second time.

Mr BEVIS (Brisbane) (9.59 am)—I rise to speak on the government’s amendments to
the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007, the AMLCTF Act. I think it might suit the convenience of the House if I formally move the second reading amendment standing in my name. I move:

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

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

(1) notes that the Financial Action Task Force (FATF) took swift action after September 11 2001, adding eight special recommendations on Counter-Terrorist Financing to the forty recommendations on Anti-Money Laundering by October 2001, and a ninth recommendation thereafter;

(2) notes the Minister for Justice (Senator Ellison)’s statement of June 5 2002 that “criminals and terrorists will continue to take advantage of jurisdictions where the law enforcement and regulatory powers are the weakest”;

(3) notes that the Government promised to meet FATF standards in 2003 and further notes the failure of the Minister for Justice to progress this legislation from that time until late last year;

(4) notes that, in the interval between indicating an intent to produce legislation and actually tabling it; and

(a) the Government, either through collaboration with AWB or the grossest incompetence, enabled AWB to fleece the UN of some $300 million in funds to channel them to the evil Iraqi Dictator, Saddam Hussein;

(b) in March 2005, the US State Dept Report Released by the Bureau for International Narcotics and Law Enforcement Affairs named Australia as a “major money laundering country”;

(c) in April 2005, the Minister created a new anti-money laundering taskforce, but incredibly left off AUSTRAC, the nation’s prime anti-money-laundering agency;

(d) important anti-terrorism legislation was drafted incorrectly and the Parliament had to be recalled at great expense to fix sloppily-drafted anti-terror legislation by changing one word;

(e) further, provisions of the Anti-Terrorism Bill (No. 2) 2005 were also drafted incorrectly and had to be amended to avoid significant hardship to Australian business; and

(f) in October 2005, the FATF reported on Australia’s compliance and found the Government had failed to meet the FATF standards, scoring just 12 out of 40 on anti money laundering, and 0 out of 9 on counter-terrorism financing;

(5) condemns the Government for allowing criminals and terrorists to launder money for three full years while the Minister fumbled the drafting and consultation process including the embarrassment of having his Bill rejected out of hand twice by Cabinet;

(6) condemns also the Government’s collaboration with AWB or gross incompetence in allowing the channelling of funds to Saddam Hussein;

(7) notes that the present regime, while a substantial improvement on the past five years of soft and weak legislation on terrorist financing, still represents just the first tranche of the required reforms;

(8) notes that this bill is again aimed at fixing drafting errors in the principal Act, which was shunted through the Parliament without government accepting an amendment; and

(9) calls on the government to outline a timetable for passage of the second tranche, so Australia will no longer be a target for criminals and terrorists seeking to take advantage of the Government’s soft and weak AML/CTF laws”.

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

Mr Tanner—I second the amendment.

Mr BEVIS—Today’s bill amends the principal act. It represents another step in what has been a long and painful process that
only last year resulted in the passage of the original act. In fact, it was barely four months ago that this House and this parliament debated the original act, and here we are now, at the start of this year, amending that legislation to pick up mistakes and errors and to make improvements that were raised with the government during last year’s debate. Once again, we see evidence of the government’s lax approach to this critical area of Australian security. Once again, the government tries to talk tough on protecting Australia, yet its actions let us all down.

Before I begin, I would like to make it clear that Labor supports this bill. In fact, it was Labor’s efforts in highlighting the delays to this process that shamed the government into action on the anti-money-laundering and counterterrorism financing front, and it was Labor’s support for business that ensured that we arrived at a workable model. I spoke at some length about those matters when the original bill was before the parliament at the end of last year.

However, here we are again, trying to correct the government’s legislative drafting errors in an act that is still largely to take effect. It should be pointed out that all of these amendments could have been dealt with last year when we were debating the bill that became the principal act. But the Howard government insisted on shunting the bill through the parliament without that bill being corrected. It is no wonder the Howard government has become the master of red tape. It is a government that operates at only two speeds: lethargy and panic. After the passage of this bill, the AMLCTF Act will accumulate another layer of unwieldy complexity. We will have an act, an amending act, a set of regulations and a set of rules.

The bill before us will introduce a range of technical amendments to the AMLCTF Act. The act itself was passed, finally, last year only after what will be remembered as one of the longest and most drawn-out legislative processes in parliamentary history. The impetus for the act was the recommendations of the Financial Action Task Force. That task force is essentially an international cross-government body which sets out international standards for financial security to fight money laundering and updates these from time to time. These are contained in the FATF’s 40 general recommendations. Since late 2001, the FATF has also developed another set of recommendations relating to counterterrorism financing. These were released in the wake of the September 11 attacks. So, all up, there are 40 general recommendations and nine special recommendations representing an international standard for financial security and the prevention of money laundering for terrorist financing.

Let me be perfectly clear about how important these recommendations and standards are. They are fundamental to a properly coordinated fight against international crime and terrorism. The Minister for Justice and Customs, Senator Chris Ellison, said as much in 2002, when he said:

... criminals and terrorists ... will continue to take advantage of jurisdictions where the law enforcement and regulatory powers are the weakest. Legislation to bring Australia into line with our international obligations was promised back in 2003. Here we are in 2007, still tidying it up. But, as I have already said in this parliament, this minister’s actions and those of the government have not matched their rhetoric. For years, the government dithered and refused to bring legislation before the parliament to bring Australia’s legislation into line with those international standards. The FATF provided the impetus; the government, sadly, provided the inertia.

In fact, in 2005 two international reports were released which slammed Australia’s
tardy response. Firstly, the FATF country report found that under the Howard government Australia had met only 12 of the 40 general recommendations and not a single one of the nine special recommendations. That was in 2005, four years after the September 11 disaster, when every nation was put on notice; four years after the international treaty set down the provisions that all responsible nations should enact in order to restrict the funding of terrorist organisations. Perhaps more embarrassing was the United States Department of State report released in the same year, which was also scathing of Australia’s response. Australia was labelled by the United States Department of State as a major money-laundering country and a country of primary concern. In other words, the United States has labelled the Howard government as a soft touch on money laundering and terrorist financing. What an appalling record of incompetence, mismanagement and lethargy by the Howard government in dealing with critical issues associated with the security of Australians and the protection of all of us from the actions of terrorists and organised criminals.

The scathing international criticism of Australia did have one advantage because, combined with the pressure from Labor—and I have to commend my colleague Senator Joe Ludwig, who has had principal carriage of this matter and who I know fearlessly pursued this matter through that period—finally the Howard government became convinced that it needed to do something about reforms. But still the government’s response in late 2005 and throughout 2006 could best be described as a panic in slow motion. We saw the first raft of bandaid solutions contained in the Anti-Terrorism Act (No. 2) 2005. This introduced a few of the measures that were required to bring us closer to those international standards, but it is still not compliant.

The problem with this bandaid solution, though, was that the Attorney-General’s Department failed to consult properly with the affected industries. During the Senate Standing Committee on Legal and Constitutional Affairs inquiry it was revealed that the government had not shown the final draft to industry. In fact, the affected industries and government strongly disagreed on the critical question: the cost of the new arrangements. So here we had slow lethargy from the government and then, finally, action with the bill but, in the process, a complete failure to consult with those in industry who in fact had to make the system work. With little surprise, industry had a better estimate of the costs. Before the bandaid solutions contained in the Anti-Terrorism Act (No. 2) had even commenced, the government was forced to go back and revise them. It was forced to do this because, to quote directly from the explanatory memorandum to that act:

If the amendment to restrict the application of Division 3A of Part 11 of the FTR Act to ADIs—that is, authorised deposit-taking institutions—is not made, then certain legitimate non-bank money remitters assert that they could be put out of business. We need to understand what that says. This is the government’s own explanatory memorandum of their bill. They needed to make a change, because what they were going to do was put some Australian businesses out of business. That was the product of their incompetence and arrogance in failing to consult with industry. The government were forced to concede that their own legislation had been so poorly drafted that it would have put those businesses out of business altogether had their legislation come into force. This is the low standard of law-making to which the Howard government have declined. We finally saw the completed legislation at the end of last year but, even at the
eleventh hour, the government were making last-minute alterations. Explanatory memorandums were written, withdrawn and new ones released.

Even after half a decade of delays, international criticism and bandaid solutions piled upon bandaid solutions, the legislation that was passed by parliament last year does not even contain the full complement of recommendations. The government is still to bring forward a second tranche of reforms to finally bring Australia into line with our international obligations. But, on past performances, none of us would want to hold our breath or hang by our thumbs waiting for the Howard government to bring that legislation forward.

Without the implementation of the full range of recommendations you have, at best, a Maginot line—that is, a wall of seemingly impregnable defences that might look threatening but can be circumnavigated with surprising ease. The legislation we have seen to date delivers only part of what is required.

I now turn to some of the detail in the bill before the House. This legislation continues the government’s piecemeal approach, where legislation is constructed in patchwork—one quick fix at a time. Before us today is the latest attempt by the government to patch up its money-laundering regime. The bill makes a number of changes, the most significant of which I will quickly address. Firstly, the main substantive amendment to the bill is to extend the operation of the AMLCTF Act to the Australian Security and Intelligence Service, or ASIS. It effectively gives ASIS the same access to AUSTRAC information as is currently held by ASIO. In Labor’s view, this is a sensible amendment which will give Australia’s chief foreign intelligence agency the same access to information as Australia’s chief domestic intelligence agency.

To Labor, there does not seem to be any reason not to extend the availability of AUSTRAC’s financial intelligence as proposed in the bill. Labor is in support of the general principle that our intelligence agencies should have the access they need, provided civil liberties are adequately protected. In this case, ASIS is governed by the Intelligence Services Act 2001, which provides for a range of safeguards and oversight mechanisms for ASIS.

Also, a range of technical amendments to the act are being brought in to improve its operation. For instance, the bill will clarify that signatories to a range of types of accounts, rather than simply the holder of the account—as provided for under the current legislation—fall under the aegis of the bill. Similarly, exemptions from certain obligations under the act are extended to merchant terminals. There appears to be a drafting error in the act because the term ‘merchant terminal’ is not defined, although from the explanatory memorandum we can glean that it is intended to refer to EFTPOS and like services, but it does not appear to be defined.

I ask the Attorney-General whether, in his summing-up, he could indicate whether ‘merchant terminal’ was intentionally meant to be read on the plain words, whether it could do with an actual definition, and whether the government has taken into account the possible impact of technology change in this area.

I wish to address the government’s response to a range of recommendations made by the Senate Standing Committee on Legal and Constitutional Affairs, which examined what is now the principal AMLCTF Act. The government has agreed to a number of the recommendations that have been made by the committee and, in some instances, has even gone further. Labor welcomes these improvements.
Unfortunately, there are a range of recommendations that were not picked up by the government but should have been. I forewarn that Labor will, again, be moving amendments in the Senate to improve the AMLCTF Act. Firstly, I turn to recommendation 4 from the committee report. This recommendation stated that clause 6(7) be deleted from the bill. Briefly, that clause is a Henry VIII clause—a clause which allows regulations to alter the legislation. Clause 6(7) would allow the government to expand the range of products and services to which the act applied merely by regulation. In effect, the government would be able to expand this piece of legislation to include any financial service it wished. Indeed, that is precisely the government’s argument for its retention. Labor does not regard that as acceptable. If there is a need to alter the legislation then a bill should be brought before the parliament and the legislation should be altered in that way. The government, in its response, indicated that these provisions were necessary and gave a commitment that it would not use the power to expand the legislation to include services that were intended to be dealt with in the second tranche of the legislation. But this is beside the point. Whether or not the government intends to expand the operation of the legislation to include tranche 2 services, it still intends to retain the power to expand the legislation to any service it wishes by executive fiat and without adequate parliamentary oversight. Labor do not believe that this is acceptable, and we will be moving amendments in the Senate in line with the committee’s recommendations.

I spoke more extensively about that provision when the original bill was before the parliament at the end of last year. It is inappropriate, in this day and age, to have those sorts of powers to alter the legislation left to the executive arm of government; that is the purpose of the parliament. It is commonly referred to as a Henry VIII power for good reason; it is not something that is best practice for parliaments to adopt, and the government should see good sense and accept the committee’s recommendation on that matter.

The committee made the further recommendation, recommendation 5, that the Austrac CEO be given the power to de-register or refuse registration to an organisation which is seeking registration as a designated remittance service. The government has rejected this with the reasoning that registration did not confer any status on designated remittance providers and existed solely to locate and identify remittance providers. Again, I believe this response from the government misses the point. Quite simply, if there is a repeat offender, then the CEO of Austrac should have the power, as regulator, to refuse to allow it to operate as a designated remittance service provider or to de-register it. Again, Labor will be moving amendments in line with those committee recommendations when this bill is considered in the Senate.

Additional recommendation 1 in the committee report was a recommendation by Labor senators on the committee which went to the oversight of Austrac by the Australian Commission for Law Enforcement Integrity—the ACLEI. At the moment there is no oversight by the Australian Commission for Law Enforcement Integrity because the government claims that it is not required at this stage. This is despite Austrac’s new role as a regulator. Given that Austrac, for the very first time, now holds powers both as a regulator and as a law enforcement intelligence collector, to leave it without effective oversight is not acceptable. So Labor will be calling on the government to rethink its position on this recommendation and will be moving amendments in the Senate to give...
the Australian Commission for Law Enforcement Integrity oversight of AUSTRAC.

To conclude, we are yet again correcting mistakes in important national security legislation. At some point you have to ask: when will the Howard government actually get it right? The Minister for Justice and Customs likes to talk about security as a work in progress, yet in a large part much of the progress seems to be fixing up the government’s own mistakes. Have no doubt, sloppy legislation is a threat to national security. We have already had parliament recalled to change the drafting of a single word. It is my hope that the Minister for Justice and Customs and the Attorney-General will manage to wake up to themselves and lift their performance. However, notwithstanding the concerns I have raised in this debate, and those raised by my Senate colleagues on the committee, Labor will support this bill as the amendments that are contained within it are appropriate and ones which we agree with. However, in addition, we will be moving amendments to improve the bill and the act. But, I repeat, we will support the bill.

I will turn very briefly to the amendment that has been circulated in my name, moved and seconded. A number of concerns that Labor has are detailed in that amendment. I quickly want to refer to a couple. Point 2 of the amendment:

... notes the Minister for Justice (Senator Ellisson)’s statement of June 5 2002 that “criminals and terrorists will continue to take advantage of jurisdictions where the law enforcement and regulatory powers are the weakest” ...

That should be an alarm siren to this government. This government is responsible for dragging the chain in fixing these important areas of law. We need to ensure that terrorist financing is restricted and cut off as much as possible. We certainly should not see Australia branded as an easy touch for terrorists to launder money in, as has been the case as recently as two years ago. These bills go some way to fixing that problem, but, as has already been commented, they fail to close the loopholes completely.

We also note in the amendment that, in the interval between indicating an intention to produce the legislation and tabling the legislation, the government, either through collaboration with the Australian Wheat Board or through the gosset of incompetence, enabled the Wheat Board to fleece the UN of some $300 million in funds and to channel them to the evil Iraqi dictator, Saddam Hussein. In March 2005 we saw the US state department release a report from the Bureau of International Narcotics and Law Enforcement Affairs naming Australia as a major money-laundering country.

Again, in April 2005, the minister created a new anti-money-laundering task force but incredibly left off AUSTRAC, the nation’s prime anti-money-laundering agency. The second reading amendment also notes that important antiterrorism legislation was drafted incorrectly and the parliament had to be recalled at substantial expense to fix sloppily drafted legislation by changing a single word. I note that the government decided to announce that there had to be a special sitting of the parliament and that one word had to be changed on the day that their extremely controversial and draconian industrial relations laws were introduced into the parliament. Some commentators could have been forgiven for thinking that the timing of that event might have been more than coincidental and that the government were looking for a good story to replace the industrial relations legislation that they were introducing.

The second reading amendment also notes that the Anti-Terrorism Bill (No. 2) 2005 was drafted incorrectly and had to be amended to avoid significant hardship to Australian business. In October 2005, the FATF reported on
Australia’s compliance and found that the government had failed to meet the FATF standards, scoring just 12 out of 40 on anti-money laundering, and zero out of nine on counterterrorism financing. This is not a proud record of achievement and performance. It stands in stark contrast with the political spin the Howard government likes to apply to matters of national security.

The simple fact is that this government and many of its ministers, time and again, wish to wrap themselves in the flag, stand beside the men and women of our defence forces and spin a story of political activity in national security, when the truth is wildly different—when their performance in legislating to meet internationally agreed standards ranks us amongst the worst in the world and when we saw ourselves in 2005 listed by the United States as one of those countries that fails to meet the anti-money-laundering requirements agreed to internationally. The Howard government does not have an impressive record in this area.

This bill is an improvement. In 2007 we are amending a piece of legislation that was put through this parliament, I think, in October 2006, dealing with matters that were agreed to in 2002. Indeed in 2002 the government said it was going to do something about this, and here we are five years later still putting bandaids on the bandaids. The government needs to improve its performance in this area. It should spend a bit more time working on practical solutions rather than the political spin that it has sought to play out in national security matters, particularly over the last six years since September 11 2001.

Mrs VALE (Hughes) (10.27 am)—I appreciate the opportunity to speak on the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007. This bill makes technical amendments to the legislation affected by the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. Besides addressing technical issues, the bill takes into account concerns raised by reports from the Senate Standing Committee on Legal and Constitutional Affairs and the Senate Standing Committee for the Scrutiny of Bills.

In general terms, money laundering is most often described as the turning of dirty money into clean money. To put it plainly, the act of conversion and concealment is considered crucial to the laundering process. Perhaps the simplest definition is that money laundering is the process of converting cash or other property which is derived from criminal activity to give it the appearance of having been obtained from a legitimate source. Successful money laundering enables criminals to remove or distance themselves from the criminal activity generating the profits, thus making it more difficult to prosecute key organisers. It allows them to distance profits from the criminal activity to prevent them being confiscated if the criminal is caught, it allows them to enjoy the benefits of the profits without drawing attention to themselves and it allows them to reinvest the profits in future criminal activity or in legitimate businesses.

Accurately estimating the amount of money laundering that is occurring worldwide has proven to be problematic, largely because it is, by definition, a concealed activity. Money laundering would certainly seem to be a significant problem, amounting to at least hundreds of billions of dollars a year. The IMF has estimated it to be between two and five per cent of global GDP per year. Part of those funds would be adding to an international stock of illicit cash and assets purchased with proceeds of crime, thereby increasing the strength of a number of transnational organised crime groups. It can also be understood that global money laundering...
now presents not only a problem for criminal justice systems but also a macroeconomic problem because it has the capacity to destabilise the financial institutions and financial systems of national governments.

The reason to implement anti-money-laundering measures is to stop criminals achieving the benefits of their unlawful activity. But the consequences of money laundering found at a macroeconomic level arise due to the absolute size of criminal proceeds entering the financial system each year and the even greater mass of accumulated funds and assets. These negative consequences are a feature of the money itself and thus are relevant to any jurisdiction in which these funds move. A large-scale money-laundering operation involving one or more of the jurisdiction’s financial institutions could, once detected, put at risk a smaller nation’s entire financial system through the loss of credibility and investor confidence. Even the potential for financial institutions to be used by money launderers can greatly damage a jurisdiction’s financial reputation and the institutions themselves.

A 1996 paper by the International Monetary Fund on the macroeconomic implications of money laundering reported that the level of money laundering is highly significant in determining currency and money balances and may have a noticeable influence on economic growth rates. It canvassed available empirical estimates to identify macroeconomic consequences of money laundering, which included: policy mistakes due to measurement errors in macroeconomic statistics arising from money laundering; the volatility in exchange and interest rates due to unanticipated cross-border transfers of funds; and the development of an unstable liability base and unsound asset structures of individual financial institutions or groups of such institutions, creating risks of systemic crisis and hence monetary instability. Other consequences included the effects on tax collection and public expenditure allocation due to misreporting and underreporting of income, the misallocation of resources due to distortions in relative asset and commodity prices arising from money-laundering activities, and the contamination effects on legal transactions due to the perceived possibility of being associated with crime.

Until the mid-1980s, no jurisdiction had in place legislation specifically to address the crime of money laundering. In most jurisdictions today, money laundering and terrorist financing are seen as issues for financial markets as well as criminal justice systems, raising questions about governance, anticorruption measures, reputation and financial stability. To move forward, many jurisdictions now involve central banks, finance and justice ministries and law enforcement agencies in their strategies to address the issues.

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 is Australia’s main legislation with regard to money laundering and terrorism financing. The purpose of the act is to combat money laundering and the financing of terrorism by ensuring Australia has a financial sector which is hostile to criminal activity and terrorism. The act encompasses reforms which cover the financial sector, the gambling sector and bullion dealers, as well as lawyers and accountants.

The main government agency responsible is the Australian Transaction Reports and Analysis Centre, otherwise known as AUSTRAC. It is Australia’s anti-money-laundering regulator and specialist financial intelligence unit, originally established under the Financial Transaction Reports Act 1988, and it continues now in existence with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. The Anti-Money Laundering and Counter-Terrorism
Financing Act 2006 is one of a range of reforms the federal government is currently implementing which are designed to improve and strengthen Australia’s anti-money-laundering and counterterrorism-financing system in line with international standards issued by the Financial Action Task Force on money laundering, of which Australia is a member. Since its creation, the Financial Action Task Force has spearheaded the effort to adopt and implement measures designed to counter the use of the financial system by criminals. It established a series of recommendations in 1990, revised in 1996 and in 2003, to ensure that the measures remain up to date and relevant to the evolving threat of money laundering and set out the basic framework for anti-money-laundering efforts which are intended to be of universal application.

In response to mounting concern over money laundering, the Financial Action Task Force on money laundering was established by the G7 summit that was held in Paris in 1989. Recognising the threat posed to the banking system and to international financial institutions, the G7 heads of state or government and the President of the European Commission convened the task force from the G7 member states, the European Commission and eight other countries. The task force was given the responsibility of examining money-laundering techniques and trends, reviewing the action that had already been taken at a national or international level and setting out the measures that still needed to be taken to combat money laundering. In April 1990, less than one year after its creation, the task force issued a report containing a set of 40 recommendations which provide a comprehensive plan of action needed to fight money laundering.

The task force has continued to examine the methods used to launder criminal proceeds and has completed two rounds of mutual evaluations of its member countries and jurisdictions. A third round of mutual evaluations has commenced. The task force has also updated the 40 recommendations to reflect the changes which have occurred in money-laundering activities and has sought to encourage other countries around the world to adopt anti-money-laundering measures. This includes the development of standards in the fight against terrorist financing.

Australia was also one of the founding members of the Asia-Pacific Group for Money Laundering, the APG, and is currently one of the co-chairs. The establishment of the APG in February 1997 was a regional response to the global threat of money laundering. Australia has undergone a joint Financial Action Task Force and APG mutual evaluation as part of the APG’s second round of evaluations. It is now time for Australia to continue its leadership and help in the fight against money laundering and terrorist financing.

In looking at this bill, we see that the consultation process raised technical issues that have now been addressed, including the provision that reporting entities will gain additional rights to seek review of decisions made by the AUSTRAC CEO under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006. This includes a right to a merits review by the Administrative Appeals Tribunal of decisions by the AUSTRAC CEO to appoint an external auditor to carry out a risk management audit under section 161 and of decisions by the AUSTRAC CEO to give a remedial direction under section 191.

In addition, the Administrative Decisions (Judicial Review) Act 1977 will be amended to remove the general exemption given to decisions under the Anti-Money Laundering and Counter-Terrorism Financing Act from review under the Administrative Decisions
(Judicial Review) Act and replace it with an exemption, limited to decisions by the AUSTRAC CEO, to apply to the Federal Court for a civil penalty under section 176 and the granting of an exemption from, or declaring a modification to, a requirement of the act under section 248. This amendment will ensure greater accountability for decisions by the AUSTRAC CEO under the Anti-Money Laundering and Counter-Terrorism Financing Act itself.

The bill also provides that the Australian Secret Intelligence Service, ASIS, is to be made a designated agency, thereby granting ASIS officials access to AUSTRAC information to ensure that financial intelligence is available to counter the financing of terrorism. This brings ASIS into line with ASIO, which is also a designated agency. Other amendments covering the secrecy and access provisions of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 will ensure that designated national security and intelligence agencies can fulfil their functions under their enabling legislation.

Other minor amendments to the Commonwealth Electoral Act 1918 will ensure that a person who has an arrangement with a reporting entity to verify customer identity under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 will have access to the electoral roll equivalent to that which is currently provided for the purposes of the Financial Transaction Reports Act 1988. Additional minor technical amendments will also be made to the Surveillance Devices Act 2004, the Inspector-General of Intelligence and Security Act 1986 and the Financial Transaction Reports Act 1988.

Australia has a developed anti-money-laundering and antiterrorism-financing system. We are one of the founding members of the APG and currently hold one of the two co-chairs. Australia is also a member of the Financial Action Task Force. Australia has ratified the United Nations Vienna and Palermo conventions. We have also established a financial intelligence unit, AUSTRAC. It is vital that we continue to show leadership in the fight against money laundering and terrorist financing. We now live in a world where this is important not only for the global economy but for global security as well. I commend this bill to the House.

Mr HATTON (Blaxland) (10.40 am)—Parliament is a funny place, because the bills that come before us sometimes seem to be exactly what is before us. They are simple, clear and contain a series of minor technical amendments to a bill to bring it to completion as a result of a review that has been conducted in the Senate—another step in the process of tidying things up. One could even think that the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007 might just have been in the Main Committee, because it would be relatively uncontroversial if it were just seeking to do those sorts of things.

The member for Hughes has dealt with the technical aspects that this bill covers, and has dealt with it at length. But it is my experience in this place and elsewhere that what you see is not always what you get. The reality with this bill is that we do not have just a number of minor amendments but a sorry tale of a government that has not applied itself to the minutiae of securing our national security through legislation that is effective in the anti-money-laundering and antiterrorist area.

We did have a government that took a world lead in this, with the Hawke-Keating government in 1988. It took the very first steps to set up AUSTRAC and to look at money being taken overseas. It set a limit of $10,000 that an individual could take with
them. When you go overseas now, you have declaration forms. If you have any more than $A10,000 on you, you have to front up.

We know that there are people of evil intent and purpose who take no notice of that whatsoever and who do take large sums of money overseas in an attempt to launder that money so that they are not in a situation in which they have to pay tax here in Australia. They take it to various other places and try to get away with this so that they do not have to do what normal Australians have to do.

The two elements of this legislation that are addressed, money laundering and antiterrorism, are conjoined in terms of the national security situation. But it is also the case that, on a simple, practical level in terms of money laundering, the amendments in the bill we have before us now and in the other bills that we will also get—minor though they are—should have been made previously.

I have direct personal experience of dealing with the federal government’s agencies and responding to information that has come to my office from the public about people involved in money laundering in the millions of dollars—carting stuff off overseas, getting through what we think are the protections in the systems and doing that on a regular basis. We need the very best legislation and the very best process for the people who are involved in this, because, if people can get away with it, they will seek to do it.

What we have before us is a sorry tale of a government that really does not look at the nitty-gritty and the detail and has not acted with alacrity to fix these problems. The amendment that is before the House today is, I think, about the strongest I have seen from any opposition in regard to any matter. It goes to the very core of the long history of the Minister for Justice and Customs in regard to these money-laundering and antiterrorist matters.

You have to ask: what is happening here? Is there no recognition on the part of the minister that 11 September 2001 happened, that we needed to take direct steps to ensure that the money trail of terrorist organisations was sealed up and that Australia did that as quickly as we could? Looking at the history of it and the fact that it has been so long in getting here, it did not happen in that way.

With these bills there is another indication in terms of process with regard to the Minister for Justice and Customs. We dealt with these bills last November then we dealt with them again. We have had the Senate have a bit of a look at them. We have got a problem in that there has not been appropriate consulting with industry, and that is outlined in the amendment that the shadow minister has moved. There are three parliamentary digests on this covering various aspects of what should be minor technical implementation and so on. But, if you look at the time frame, you can see there is a fundamental problem.

I know the Attorney does his very best to get to the nitty-gritty of things and deal with things in detail. I know that through long experience in dealing with him not only when he was minister for immigration but since he has been Attorney, and that kind of diligence is necessary in the national security area—it is absolutely and fundamentally important. You cannot let things wobble along and hope that they might get fixed up.

Let us look at this process in terms of the response to September 11 and what has happened in regard to this bill and the strongest amendment I have seen. What is point No. 1? Labor notes that the Financial Action Task Force took swift action after September 11, adding eight special recommendations on counterterrorist financing to the 40 recommendations on anti-money laundering by
October 2001 and a ninth recommendation thereafter—quick action. But in point No. 2 we note that, in the minister for justice Senator Ellison’s statement of 5 June 2002, he said that criminals and terrorists:

... will continue to take advantage of jurisdictions where the law enforcement and regulatory powers are the weakest—
certainly a truism. You would expect quick action in relation to that statement. In point No. 3, we note that the government promised to meet the Financial Action Task Force standards in 2003. We also note the failure of the minister for justice to progress this legislation from that time until late last year; indeed, until November last year. We can do a Treasurer-like count and say, ‘2002, 2003, 2004, 2005, 2006; we are up to 2007.’ Why has the minister been so dilatory in regard to this, and why has he put the security of the nation at risk when it has been recommended by that financial task force that these were urgent matters? He recognised in 2002 that this was significant, as evidenced from his very own mouth: jurisdictions which did not take appropriate action would be seen as being ‘the weakest’. On the basis of that performance over those years, you can readily argue that Australia has been amongst those weakest jurisdictions in this regard. It is not good enough and it has to be fixed. This bill goes part way to doing that, and we know there are others in train which will seek to take it further.

There is a series of arguments that the shadow minister has put in the amendment, and they relate to a significant problem the government has got itself into over the Australian Wheat Board and the $300 million that went to Saddam Hussein’s government in the Iraqi wheat scandal. Because these bills have not been corrected in that period of time, there was a window of opportunity for that sorry saga to be carried out in full. It is not good enough, and the particulars go to this.

In March 2005, a US state department report released by the Bureau of International Narcotics and Law Enforcement Affairs named Australia as a major money-laundering country. I know that some of the United States government agencies may be quick at times to label other countries as being deficient in a significant area without taking a good look at themselves but, given the hurry-up call of September 11, for an agency of its importance to designate us as a major money-laundering country, you would think that by 2005 the hurry-up would have been there and that it would not have taken almost two years—about 20 months or so—until we got the bill into the House after that. The minister has not proven that he understands the depth of this problem.

The next few points are very significant. First, in April 2005, the minister created a new anti-money-laundering task force but, incredibly, left off AUSTRAC, the nation’s prime anti-money-laundering agency. Second, important antiterrorism legislation was drafted incorrectly, and the parliament had to be recalled at great expense to fix sloppily drafted antiterror legislation by changing one word. Further, provisions of the Anti-Terrorism Bill (No. 2) 2005 were also drafted incorrectly and had to be amended to avoid significant hardship to Australian business. Lastly, in October 2005, the Financial Action Task Force reported on Australia’s compliance and found that—and this is utterly astonishing—the government had failed to meet the FATF standards, scoring just 12 out of 40 on anti-money laundering, and zero out of nine on counterterrorism financing.

What is going on? This is a government that has prided itself from the very outset—using the National Commission of Audit to say that its only real function is to bench-
mark and audit, not to get into service delivery. Is this the end result of that: in an area that they say they are strong on, national security, to score zero out of nine on counter-terrorism financing; 12 out of 40 on anti-money laundering?

What has the Minister for Justice and Customs been doing? What has the Treasurer of this country been doing about an overview of this area to ensure that our national security in terms of our financial systems and the arrangements in place is locked up tight and secure? That is a devastating assessment of the government’s performance, which is not examined closely enough. I cannot think of a single instance in my time here or throughout the Hawke-Keating government period where the government received this kind of report card in an area of such significance. It is a fundamental failing. As the Attorney-General knows, and as I know, there can be significant problems in drafting legislation, and legislation may have to be revisited to address issues you did not see at the time. Indeed, there may be problems in getting people with the right skills to put the legislation together.

There may be some members or senators who have the background experience to draft the legislation competently, but it is a highly technical job and we have to ensure that it is done well. However, overarching this is the fact that this minister and his department have a hell of a lot to answer for, not just to the parliament but to the people of Australia—and not just about the money laundering but about the antiterror connection. We were promised by the government that we would have absolute certainty—as much as is humanly possible—that Australia would be secure. We have made complaint after complaint, and we have argued that the government has not driven hard enough on airports, seaports and a series of arrangements. Here is yet another example of the government’s poor response.

As I said at the start, I have not seen a stronger amendment than Labor’s, and it should underline the depth of concern not just of the shadow minister but of every single member of this parliament and every single member of the Australian population. It should be part of a reckoning, come the end of this year, on this government’s performance. The government is wonderful at self-projection, self-promotion and marketing, but the reality that we see here in this bill utterly belies that. It is something to keep a note of as we run through the rest of the year.

When you look at the shadow minister’s core assessment, people might think it is counterintuitive. However, I think it goes to the core of the issue. Item (7) of Labor’s amendment notes:

... that the present regime, while a substantial improvement on the past five years of soft and weak legislation on terrorist financing, still represents just the first tranche of the required reforms ...

The drafting stuff still has to be fixed. We know there are a series of other reforms to come. That might seem counterintuitive in terms of the way in which the government promotes itself, but we have had five years of soft and weak legislation on terrorist financing. Who is going to back that up? The US state department’s report by the bureau of international narcotics and law enforcement said that we are a major money-laundering country. I did not think we were in the realm of South American republics—those comparisons might have been made some time gone in respect of our collapse in the terms of trade. We need to fix this, and we need to fix it in terms of how we are seen.

I know the Minister for Justice and Customs is responsible for it, and the Attorney-General, of course, is the responsible minis-
ter in this House. With these revelations, the sorry five years of weakness and indeterminacy, it is important that the Attorney acts quickly within the cabinet to get the government to get onto this matter.

So where are we with this? We are in a situation where, in an area where we are particularly vulnerable in terms of money laundering, if we get that reputation badged on us by the US, it affects the way they see us, the way they deal with us and the way our agencies interact, and, in dealing with other governments, the whole antiterror network is based on governments working together in order to solve international problems where we are threatened by terrorist organisations.

Some of the key weapons in the battle of getting al-Qaeda, Jemaah Islamiah and those sorts of organisations are anti-money laundering and antiterror provisions—following the money trail and trying to stop their easily and readily funded operations worldwide, whether it is in Yemen, the Sudan, in Indonesia, Australia, Britain, the United States or wherever. We have to choke off their ability to move funds easily and quickly. We have not been doing our job. We have not been doing our part of that process adequately, because the government has not focused on it—or at least one minister has not, and that is why the shadow minister has condemned Senator Ellison and his department for what we see here before us today.

I trust that this is a big enough wake-up call for the government. We dealt with it in November, we had a Senate review and we have a clear and present danger this year with APEC. We have already had initial meetings in Perth. There will be a cavalcade of cars and meetings Australia-wide throughout the rest of the year. We will have a month-long process of ministerial meetings and departmental meetings prior to 8 and 9 September, when the leaders will meet in Sydney. The focus on Australia will be immense, with 35-plus regional leaders visiting from around the Asia-Pacific. The potential for a terrorist incident here is extraordinarily high. What is the government doing about money laundering and antiterrorism? What is it doing about cohering this whole Asia-Pacific region in order to cut off the sources of funds to terrorists and to help to solve that fundamental problem?

This sorry tale of the past five years should not continue for one minute beyond this. The government should really concentrate on what it was elected to do, not electioneering but governing in the interest of all Australians and governing to ensure that our national security is not weak and soft—as the process has been with regard to this legislation—but strong, robust, certain and definite and that we really are secured rather than imperilled by what this government is doing. I will leave it to the Attorney in his summing up and also to the Attorney in practice to take this matter forward as efficiently and diligently as possible. (Time expired)

Mr RUDDOCK (Berowra—Attorney-General) (11.00 am)—I thank the members for Brisbane, Hughes and Blaxland for their contributions to this debate on the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007. Of course, an important element for success in the fight against money laundering and the financing of terrorism is a collaborative approach between government and business. We have been very consultative in relation to these measures, and for very good reasons. Throughout that process we have been able to fortify the Australian financial sector against money laundering and the financing of terrorism is a collaborative approach between government and business. We have been very consultative in relation to these measures, and for very good reasons. Throughout that process we have been able to fortify the Australian financial sector against money laundering and also against those who would seek to use the Australian financial sector to fund terror. The financial sector is to be commended on its commitment to this important role.
I note the observations that have been made in the amendment that was moved today. I was looking to find the amendment that was moved on the last occasion that we discussed anti-money laundering and counterterrorism financing. I suspect, from my recollection—I was not able to find that second reading amendment—that, rather than pushing the government to deal with the issues of counterterrorist financing, the emphasis was, in fact, on the need for consultation. When I looked back through the speeches that were made, that was the emphasis that was being put. It is a question of getting the balance right on these matters. The Labor Party is quick to seek Senate standing committee scrutiny of bills. That takes time too. In asking to have a look at these matters, the Labor Party does not say, ‘We are part of the problem, in causing delay and providing for consultation and leaving unaddressed the recommendations of FATF.’ You cannot have your cake and eat it too in relation to these matters.

We thought it was important to consult. We think it is important to have industry on side in implementing very important measures that deal with money laundering and terrorism financing, but we need to do it in a way that ensures that our financial sector is still able to operate effectively. It is a question of getting the balance right. I would not apologise for being involved in discussions. I know the financial institutions want us to be FATF compliant but still having an effective financial industry.

I am not going to deal with the posturing. When you get AWB run into an amendment of this sort, you know that people are posturing. We obviously oppose the amendment. While I am dealing with matters of form, there were some minor corrections to the explanatory memorandum, and I table a paper dealing with those issues.

I will comment on compliance with the nine special recommendations of FATF. FATF found that Australia was largely compliant with five of the nine special recommendations and partially compliant with three of the special recommendations. The new legislation will significantly improve the way in which we deal with our obligations. With the passage of the AMLCTF Act there were only two outstanding FATF recommendations that were not addressed in their entirety. They were recommendations 12 and 16, which dealt with designated non-financial businesses and professions.

If the Labor Party is saying that we ought to have a comprehensive scheme dealing with the professions—dealing with jewellers, dealing with solicitors, dealing with accountants—and we ought to roll over them without consultation, so be it. But our view was that there needed to be continuing consultation on the second tranche. It commenced in 2004 and it will continue. We will be addressing these matters under a second tranche of AMLCTF reforms.

Issues were raised in relation to the Senate committee recommendations. In the debate in the Senate, the Minister for Justice and Customs provided details of the government’s response to all of the Senate committee recommendations. Since the passage of the act, there has been no further information provided or concerns raised by industry about the government’s approach on these
recommendations. Section 251 of the AMLCTF Act requires that the operation of the act be reviewed. This review will be required to be conducted with seven years of royal assent. This seven-year period takes into account the fact that the obligations will not come fully into effect until two years after royal assent. All of the issues raised by the Senate committee can be considered in the review in the context of appropriate operational experience.

The member for Brisbane asked about the term ‘merchant terminal’ and suggested that the term needed to be defined and asked me to deal with that. The advice that we have from the Office of Parliamentary Counsel is that the terms used in the legislation have their ordinary meaning unless otherwise extended or altered by definition. In other words, there was no need to define every single term in the legislation. The term ‘merchant terminal’ will have its ordinary meaning and it will encompass any change in the industry and in the technology used by financial institutions for the purposes of recording and transmitting this information.

A point has been made in this discussion that AUSTRAC was not included in the money laundering task force. The fact is that the task force was set up for the purpose of advising the government and AUSTRAC. In that context, our view is that, in reporting to AUSTRAC, the groups were more appropriate and that it was not necessary for AUSTRAC itself to be included as part of the task force.

The government has been asked why it has taken three years to finalise the bill and introduce it into parliament and whether Australia was left inadequately protected. Our view is that the government moved with appropriate speed to introduce comprehensive, well thought out legislation. It was as a result of extensive consultations that the legislation was presented in its final form.

I think the extent and detail of the consultation process has been widely acknowledged and applauded by affected businesses. IFSA commented that the efforts of the Attorney-General’s Department, along with those of AUSTRAC, had been noteworthy and that the two bodies had worked in a genuine partnership with industry to better understand and resolve important issues. IFSA said that they believed the legislation benefited immensely from the consultative process. The Australian Bankers Association commented that there had been a substantial amount of consultation and that enormous work had been done on both sides to achieve the result that we have. The Securities and Derivatives Industry Association commented:

We also believe that AUSTRAC and the Attorney-General’s Department have worked extremely well with industries affected ...

As a result of this consultation, Australia today has an act which strikes an important balance between the government’s law enforcement and national security objectives and business day-to-day operational reality. The time spent on achieving this balance and limiting the burden on Australian business has been well spent.

It has been claimed that Australia has been a major money-laundering country. The United States international narcotics control strategy report, which is released annually, said that this was so. The report evaluates whether or not a country is a major money-laundering country based on its economy and the complexity of its financial system. It assesses the level of risk of money laundering rather than the effectiveness of the country’s response to that risk. The report identifies countries with large and complex flows of funds as being more vulnerable to money
The 2005 report named Australia, the United States, the United Kingdom and Canada as countries of primary concern, despite their having comprehensive money-laundering laws and conducting aggressive anti-money-laundering law enforcement activities.

The bill deals with technical amendments—matters that have been foreshadowed—and has been the subject of very extensive consultation. While the legislation ensures Australia’s interests in making sure that money laundering and terrorism financing are dealt with and combated effectively, the form it takes will not leave our financial institutions significantly impaired. Getting the balance right in relation to those matters was important. I might say to my colleagues opposite, the member for Brisbane and the member for Barton, that my colleague in another place Senator Ellison has acquitted himself extraordinarily well in terms of what has been a very complex issue and one that has been very demanding in time and effort. Achieving the right balance was the proper approach to take. I commend the bill and hope that it will have a speedy passage.

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 Brisbane 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.

AVIATION TRANSPORT SECURITY AMENDMENT (ADDITIONAL SCREENING MEASURES) BILL 2007

Second Reading

Debate resumed from 14 February, on motion by Mrs De-Anne Kelly:

That this bill be now read a second time.

Mr BEVIS (Brisbane) (11.12 am)—The Aviation Transport Security Amendment (Additional Screening Measures) Bill 2007 seeks to implement an initiative of the International Civil Aviation Organisation, ICAO, of which Australia is a member country. I think it is worth recalling that the Chicago convention, which established ICAO, was signed by Australia in December 1944 by the then Labor government of John Curtin. So we on this side of the House—as I am sure those on the other side do—regard the regulation of international aviation as an important matter.

The bill amends the Aviation Transport Security Act 2004 by enhancing screening measures to limit the amount of liquids, aerosols and gels that can be taken through an international screening point by people flying to or from Australia and by introducing a new section with general powers for frisk searches. This initiative is intended to allow an additional capacity for screening officers to ask persons passing through a screening point to agree to undergo a frisk search beyond what is currently empowered under section 95B. The ICAO led this initiative after an attempted terrorist incident on 10 August 2006 in the United Kingdom. On that day, security services interrupted an attack involving planned attacks against aviation targets. Analysis of the failed plot revealed an enduring vulnerability in the technical capacity of aviation security screening.
points with respect to liquid explosives detection.

Security officials at the UK’s Department for Transport said on 24 August that the alleged plot at Heathrow Airport to blow up several US bound planes on 10 August had exposed gaps in the ability of scanning machines to distinguish between ordinary liquids and those that could be used as a bomb. The identified danger has since prompted the United States, Canada and the EU to introduce restrictions on the amount of liquids, aerosols and gels that can be carried on board international outbound and domestic flights.

The International Civil Aviation Organisation, a UN specialised agency, is the global forum for civil aviation. ICAO works to achieve its vision of safe, secure and sustainable development of civil aviation through cooperation among its member states. On 22 November 2006, ICAO considered the report of the 18th meeting of the aviation security panel and agreed that security control guidelines for screening liquids, gels, aerosols and the like should be recommended to states for their implementation no later than 1 March 2007. ICAO journal No. 6 of 2006 says:

In the wake of the planned terrorist plot to sabotage several airliners over the North Atlantic, unveiled by U.K. authorities in mid-August 2006, ICAO has developed security guidelines for screening liquids, gels and aerosol products to be carried in the passenger cabin, and the ICAO Council has recommended that member States implement these guidelines no later than 1 March 2007.

You should remember that date: 1 March 2007. That was the declared compliance date for the ICAO recommendations. ICAO said ‘no later than 1 March’. The bill before the parliament today provides that these provisions will come into force no earlier than the end of March.

When the Howard government wants to fast-track legislation through this parliament, it certainly does not hesitate. In 2005, the government announced its intention to rush through the major antiterrorism bill in one day. It listed the bill for debate in this parliament in the House of Representatives on Melbourne Cup day of 2005. So it not only intended to restrict debate to one day but intended to have that debate on a day when most Australians would be focused on the Melbourne Cup—the day that Australia stops. The Howard government also announced a quickie Senate inquiry into that bill that was restricted to just a one-day hearing.

That was for a bill dealing with a raft of important antiterrorism matters that were complex and had serious issues of privacy and human rights involved. But the government were prepared to rush that through in a one-day debate in the House of Representatives on Melbourne Cup day and give the Senate just one day for a Senate inquiry. In the end, pressure from Labor forced a rethink. That was a very technical, detailed and sensitive piece of legislation. When the government want to act quickly to protect their own political hide, they certainly do it. When they need to act quickly to protect the travelling public, they move with the speed of a sloth.

I welcome this bill. The government’s delay in implementing the ICAO recommendations, though, is a case of serious jet lag. I understand that the threat posed by liquid explosives is real and serious. I also understand that we need affordable solutions to reduce or remove those dangers. On the Howard government’s watch, though, we have seen three drunken men breach security at Perth Airport, wander through the perimeter fence, walk across the tarmac and board a Qantas jet at the international terminal before they were identified and apprehended. More
recently, in Sydney at our largest and busiest airport unauthorised vehicles tailgated one another through the boom gates and entered the runway area. Thankfully, they were not terrorists; they were a couple of people involved in an incident of road rage. But that identifies a major flaw in the security of our major airport.

Also at Sydney (Kingsford Smith) Airport, our largest airport, an area under development was secured by nothing more than a loose piece of timber sitting in the tracks on the public side of a sliding door. All someone had to do was lift up that loose piece of timber and the door would open and the person would then have access to the tarmac and the restricted area of the airport. The government, when we raised that in the parliament last year, tried to deny it—until we produced the pictures of the offending door that appeared in the Sydney newspaper. And members and the public will recall the famous ‘camel suit’ incident at Sydney airport in which staff of Qantas managed to help themselves to the baggage and parade around in the camel suit that had been in the luggage of one of the travelling public.

In yet another incident at Sydney airport, an unauthorised person with a backpack wandered across the tarmac until they were challenged not by security staff but by a baggage handler. Thankfully, the baggage handler had his own mobile phone with him. The baggage handler had to ring security to say that there was an unauthorised person with a backpack on wandering across the tarmac in a supposedly secure area. These events occurred last year. In fact, I have raised a long list of problems of this kind over the last 18 months, both inside this parliament and outside it.

Many airport dangers, like the tailgating problem to which I have referred, were also the subject of findings by Sir John Wheeler, the United Kingdom expert appointed by this government to review aviation security. It is difficult to understand how a government that was focused on the problems of aviation security could oversee a continuation of such basic errors. Indeed, we can ask why it took until 2005—four years after the September 11 disaster—for the government to seek a review of airport security. As I have asked in this place before, why is it that the Inspector of Transport Security was not able to do it? Why did we have to get someone from overseas in any event? Labor is yet to receive a rational response from the government on that issue and the others that we have raised.

Of particular concern to me, though, has been the failure to scan passengers and cabin baggage on regular flights from regional centres to major airports—also a weakness identified by Sir John Wheeler. Two such examples of dangers from regional aviation were raised in this parliament last year.

Passengers in Ballina and Dubbo are not screened with any metal detectors before entering the tarmac and boarding the aircraft—even though their flight is a direct flight to Australia’s largest airport, Sydney airport. In 2006 I tabled photographs showing that secure areas at Ballina airport were left open and unguarded whilst the passenger and baggage screening area was closed. At Dubbo airport photos showed an old farm gate that was part of the security fence, which had been left open and unguarded, giving not just pedestrian access but vehicle access to the runway for anyone who wanted to take it. And Dubbo airport is a major regional airport that has regular flights directly to Sydney.

We have the absurd situation where the government’s aviation regulations actually prevent hand-held metal detectors being used at many regional airports, even if they have the equipment and they want to use it. We have the absurd situation where taxpayers’
funds have quite sensibly provided many regional airports with hand-held metal detectors—the wands that we are all familiar with—with staff at those airports trained in their use, but the government has in place a regulation that prohibits their use. That makes it unlawful for the people in those airports to actually use those hand-held detectors and check passengers before they get on the plane. So these hand-held wands literally sit in cupboards in airports, locked away—unable to be used because, having been bought by the taxpayer, having been paid for by the government and the taxpayer, the government has then put in place a regulation that says staff are not allowed to use them unless they get a specific instruction from the department to use the things. That would be like closing the gate after the horse has bolted, because the explanation the government has given is that they would only use them in a period of high risk. That is fine, but that is after the event has happened! What a stupid, absurd position that the government has followed in relation to that screening procedure.

The failure to screen passengers at those regional airports has caused problems in recent times. A failure of those procedures following a flight from Wagga Wagga to Sydney at the very end of 2006 resulted in part of Sydney airport being evacuated so that everyone could be properly screened again. But still the government fiddle at the edges whilst failing to address the real dangers. The Howard government’s indifference and lack of competence has placed travellers at an increased risk. The Wheeler review is clear about this. It says:

... in the current environment, consideration should be given to more comprehensive security control over regional flight passengers when arriving at major airports such as Sydney because of the risk to larger aircraft and facilities when passengers disembark at the apron.

The Wheeler report also said:

... the Review noted the vulnerability of current arrangements as they relate to unscreened passengers on some regional regular public transport aircraft arriving at major airports such as Sydney and Melbourne with access to the apron and parked jet aircraft prior to screening.

The government have been warned by their own expert that they brought over here from the UK, they have been warned by Labor for years about this problem—and yet they fail to act to ensure that passengers involved in flights directly to our major capital city airports and our major counterterrorism first-response airports have any screening done whatsoever. The simple truth is that anybody could hop onto one of those aircraft with a weapon, with a bomb, and they would never be checked. They would never be screened. And when they hopped off in the secure side of Sydney airport they would then present a serious danger. Sir John Wheeler knew that. He made reference to it in a couple of places in his report. And here we are, a couple of years later and still the government fail to do anything about it. The public are entitled to ask why these basic mistakes continue to occur five years after 9-11 and a year after the Heathrow incident. Is this really the aviation security system that Australia needs and deserves?

After the 2006 Heathrow incident Michael Chertoff, the US Department of Homeland Security chief, said the plot had the hallmarks of an operation planned by al-Qaeda, the terrorist group behind the September 11 attacks in the United States. He said:

We believe that these arrests (in London) have significantly disrupted the threat, but we cannot be sure that the threat has been entirely eliminated or the plot completely thwarted ...

I know that the government want to talk tough about aviation security, but the truth is that they are flapping wildly away on airport runways and taking far too long to do far too
little. It is all show and no result, as with so many things—as with the bill that was just before the parliament and the comments I made in relation to that. We see a government that readily wraps itself in the flag, ministers who seek every opportunity to have a photo shoot with members of the Australian Defence Force around them and government machinery that tries to put a political spin on issues of national security for their political benefit, when in fact the basic security decisions that need to be taken by the government to protect the Australian travelling public have been overlooked. Those decisions have been overlooked in an environment in which it is not just the Labor Party that has been raising concerns about these matters, and not just the industry that has been raising concerns about these matters; the government’s own expert, Sir John Wheeler, has told them that they need to take action, and yet they continue to fail to take that action.

Labor supports this bill because it goes some way to improving security and it is in line with the ICAO recommendations arising from the incident in London, to which I referred, involving liquid explosives. But the government’s record in these areas is appalling. For those reasons I move:

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

Whilst not declining to give the bill a second reading, the House condemns the Government for its failure to provide necessary air-security and protect Australians, including:

1. Failure to meet the implementation timelines for counter-terrorism protections against liquid explosives as recommended by the International Civil Aviation Organisation;
2. Mismanagement of the Aviation Security Identification Card (ASIC) system;
3. Failure to properly upgrade security at regional airports;
4. Failure to establish adequate security measures for charter flights; and
5. The Government’s insistence on splitting security, intelligence and border protection functions over a number of departments inviting overlap, wastage, confusion and missed opportunities”.

The DEPUTY SPEAKER (Hon. AM Somlyay)—Is the amendment seconded?

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

Mr BEVIS—I just wish in conclusion to make a couple of comments about one aspect of that second reading amendment that I have not touched on so far, and that deals with the aviation security identification cards. These are the cards that people who work in the aviation industry are required to have as a security clearance. They involve extensive and invasive background searches by the Federal Police and ASIO of those individuals to ensure that they present no security threat. They work in sensitive and secure areas of the airports. The ASIC system is important; we on this side of the House support it. We supported its introduction; indeed we have called for improvements in the system on a number of occasions. The government, however, have not provided the management of this system that is necessary.

In the short time in which those aviation security cards have been in operation, there have been somewhere in the order of 12,000 to 14,000 cards issued. In that short time the government have administered a system in which about 400 of those cards have been lost—unaccounted for. These are high-security cards. These are cards that allow people access to the most sensitive areas of our airports, and in the first two years that the system has been operating they have already lost 400 cards. It makes one wonder what is going to happen with this national access card that the parliament dealt with earlier today. If they lost 400 high-security
cards, imagine what is going to happen to 15 million access cards. Anyone who thinks that access card is somehow going to reduce identity theft needs to have a look at this government’s mismanagement of these matters.

The fact is that 400 of these high-security aviation industry cards cannot be accounted for. Four hundred out of about 12,000; that is a pretty ordinary record. I have raised this in the parliament before, and I see ministers who have got up at the dispatch box and said: ‘Well, people lose things. People lose their drivers licences. Members of parliament might even lose their IDs.’ Those things are true; of course people lose things. But we are not talking here about losing your drivers licence or your MasterCard. We are talking here about losing a document that is the subject of quite extensive security clearances. Frankly, you do not have a security check to get a drivers licence. Your drivers licence is not a security clearance card, and the ASIC is. Pretending that we do not need to worry about 400 lost ASICs because people lose cards like that is an indication of the total arrogance and lack of interest in the security mechanisms at our airports. For a minister, as has happened on a number of occasions, to stand at this dispatch box in reply to my concerns about this with those comments is damning of their own either ignorance of the situation or arrogance.

Frankly, the government’s management of aviation security has not been up to standard. The government should spend more time getting the practical measures right and less time worrying about the political spin: less time wrapping the flag around itself, less time getting photo opportunities with our defence personnel and more time doing the things that make Australians safer.

This bill is a good bill, and it will assist in ensuring that those who travel on international flights can travel with a greater degree of safety. It will involve people undergoing pat-down searches. The bill provides that they will be voluntary. Of course, if you refuse to undergo a pat-down search it is very likely you will be refused entry to the plane. But in the current situation, where we do not have reliable technologies to identify liquid explosives, this is a prudent and proper course to be followed. But here again the government have simply not matched their political spin with reality. The political spin they would have Australians believe is that they are on top of these issues and doing a good job. The reality is the International Civil Aviation Organisation said to all of the member countries: you need to have these in place no later than 1 March. We will not have these laws in place; the government do not intend them to operate before 31 March at the earliest, and it may in fact be later than that. But the earliest these will operate is 31 March.

The Australian travelling public are going to be exposed to a risk for the month of March, and perhaps longer, that they should not be. For at least one month, the Australian aviation industry will not be applying the standards which the International Civil Aviation Organisation recommended. We should have world’s best practice in these matters. This is a wealthy country with a well-developed aviation industry. We should not be dragging the chain; we should not be following other nations with these matters. We should be out there in the forefront, providing the best security that is available. Frankly we have not, as a nation.

This government has not administered this area well, and even in this small matter being dealt with by this bill it still could not get its act together to implement these safety procedures in line with the International Civil Aviation Organisation’s recommendations. The government deserve to be condemned.
for their failures in those areas set out in the second reading amendment. That said, the bill is an improvement on the laws and we will support it.

Dr JENSEN (Tangney) (11.35 am)—I rise to support the Aviation Transport Security Amendment (Additional Screening Measures) Bill 2007. The Parliamentary Secretary to the Minister for Transport and Regional Services has already outlined the basic reasons for the unfortunate necessity of this bill. Before discussing the merits of this legislation itself, I would just for a brief moment like to set the scene, to illustrate why these measures are necessary. First of all, like it or not, we are currently engaged in a war against a very real enemy: the terrorist. This enemy, either because of twisted ideologies or pure unadulterated hate, especially for the West and all it represents, has been clearly exposed as prepared to go to any length to further its destructive agenda. Unfortunately, unlike that celebrated terrorist attempt under the Houses of Parliament in London in 1605, the mechanisms for carnage and destruction today are somewhat more difficult to spot than a large stack of wooden kegs full of dynamite.

In the last hundred years, the nature of one’s enemy has changed even more dramatically. We have seen the creation of groups like the Irish Republican Army, the Baader-Meinhof gang, the Japanese Red Army and various groups associated with anti-Israeli or anti-United States agendas. Some of these groups are fortunately fairly transitory and small, but one or two successful plots can cause damage, destruction and heartbreak for many families. Perhaps, had there been tougher screening processes in place nearly 20 years ago, Pan Am flight 103 might have continued safely on its journey instead of exploding in midair near Lockerbie in Scotland. All 259 people on board and 11 people on the ground died. That awful event remains Britain’s largest mass murder. There were explosives on the plane and the rest is a tragic entry in our history books.

Until this century, terrorist acts were considered to happen ‘over there’—mainly in Europe and with the odd instance in Asia. Bali changed all that. Beautiful Bali, whose name, immortalised by Rodgers and Hammerstein, conjured up lovely beaches, lush tropical scenery and happy, smiling Balinese people, suddenly became shorthand for the terrible day in October 2002 when terrorism hit Australians. Australians were clearly the target; thus this was a deliberate act of violence against Australia and Australians. We had joined the growing list of countries to become terrorist targets.

We only have to look at the London Underground bombings to realise that terrorists can now be home grown. Therefore, the logical conclusion is that it is not unthinkable that someone—even a resident of this country—could attempt to board a plane to commit a terrorist act. We have also entered the era of a whole new type of terrorist group. Previously they had been fairly localised and/or small in number. Their very extreme nature—limited resources, localised aims and cruel and callous acts—has also served to limit the size of these groups. Now, however, we are seeing terrorism typified by Osama bin Laden and al-Qaeda become a global threat. They have a very clear world view, ideology and agenda. They have very clear objectives. They are also extremely well funded and have a potential recruiting base of millions of young people.

The Middle East, especially Iraq and Afghanistan, is the real front line of the war on terror. With Saddam Hussein in Iraq and the Taliban in Afghanistan, the world watched two state based terrorist regimes. The focus of al-Qaeda and other similar organisations is, by necessity, Iraq and Afghanistan. This
has the benefit of keeping the front line off Australian soil. The bloodshed in Iraq today is largely occurring despite, and not because of, the presence of coalition forces. This is a battle between Iraqis who have had their first taste of freedom and democracy and those fundamentalists who want to deny them the freedom we so often take for granted.

The terrorist attacks elsewhere in the world are illustrations of the terrorists’ determination to try to scare decent, freedom-loving countries such as the United States, Great Britain, Australia, Japan and others from helping Iraq forge a new destiny. You can never appease terrorists; you fight or you lose. There will be no ‘peace in our time’ delusions and no imagining that we can walk away and stay safe. It worked in Spain. If you kill some people, the politicians will cave in. Not here, not this government, not this Prime Minister.

Moving to the specifics of the bill, it is necessary to tighten screening requirements for liquids, aerosols and gels because of the events in the United Kingdom in August 2006. The UK police arrested a number of persons who were planning to smuggle improvised explosive devices onto aircraft using liquid explosives disguised in drink bottles. We have already seen apparently well-planned attempts to use various substances, such as liquids, aerosols and gels, in terror attacks. This threat is real, and had it not been for the efforts of law enforcement agencies in the United Kingdom we would be counting bodies instead of our blessings.

The use of these substances presents a whole new array of problems for agencies charged with the task of detection of dangerous substances and those dedicated to the protection of the general public. The enhanced screening measures for liquids, aerosols and gels are consistent with measures adopted by the United States, Canada and the European Union. Therefore, although Australia, along with those countries and entities I have just mentioned, is at the forefront of the fight against terrorism, there is an international campaign to ensure that air travel is safe as is humanly possible.

There is a broad agreement to support the measures proposed by the federal government. There are only two small amendments that are necessary to the ATSA. The first widens the power to write regulations under the ATSA to be sure that the regulations can address liquids, aerosols and gels. At present, there are regulations which broadly cover those and other substances, but the government wants to make it quite clear that these materials are indeed included. The second amendment writes in a general capacity to allow screening officers to ask passengers to agree to random and continuous frisk searches to supplement the enhanced screening regime. This amendment is necessary to assist screening officers to ascertain the possession of dangerous substances. More importantly, it will give the airline officials the ability to use refusal to permit a search as a valid reason for not permitting a person to travel on the aircraft.

The amendments to the ATSA will be followed by amendments to the Aviation Transport Security Regulations 2005 to set out the detail of liquids, aerosols and gels. The core feature of the liquids, aerosols and gels measures is a restriction on the maximum container size that can be carried through an international screening point. The maximum container size is 100 millilitres, which is roughly equivalent to 100 grams. All containers presented for inspection must fit comfortably within a one-litre transparent resealable plastic bag.

There is a limit of one bag per passenger. This bag is to be presented to the screener for visual inspection. The bag will also be X-
rayed. There will be exemptions for items such as baby products and medical necessities for use during the flight. The amendments respond to the vulnerability highlighted by the UK terror plot to use liquid explosives on board aircraft. They are part of the Australian government’s ongoing commitment to securing the aviation industry and keeping the travelling public safe.

As I have already observed, these measures are not excessive or draconian. They are consistent with similar restrictions introduced in the United States, Canada and the EU. Industry has been consulted in the development of the proposal and broadly acknowledges the need to deal with the vulnerability caused by liquids, aerosols and gels. The Australian government is making every effort to engage and advise industry groups, such as the airline industry and the travel agent industry, so that passengers can be advised of the changed requirements before they arrive at airports. Initial implementation of the new requirements may cause some difficulty and potential delays for passengers on inbound and outbound international flights.

The fact that the restrictions apply to carrying apparently safe items like bottled water through a screening point makes the restrictions seem unnecessary. Being an island nation, our aviation services and centres assume even greater importance than those of countries in a less isolated geographic position. What this bill seeks to do is to enhance the ability of Australian agencies to detect such substances when they are being taken through aviation centres in Australia. On 8 September, the Prime Minister said that, as is the case in the United Kingdom, ‘the focus of preventative detention is primarily about stopping further attacks and the destruction of evidence’.

By the very nature of the offences we are trying to prevent, ascertaining the success of such measures is difficult because when they are successful things do not happen. But these measures are putting another brick in the wall of counterterrorism. This measure on its own will not stop the terrorists. But, added to the other measures introduced by the Howard government since the appalling international watershed of September 11, these amendments can make it just a bit easier for our officers to protect us and just that much more difficult for those with malevolent intent to harm us.

I would like to add that I am sure that members opposite will agree to these amendments, which are only being proposed in order to protect the lives of Australians and visitors to our shores. There will of course be the usual suspects who will wring their hands about civil liberties. I agree that protecting standard civil liberties is very important—up to a point. But I hold that our greatest and most important civil liberty is the right to live. When others are deliberately trying to take away this most basic of all liberties we need to take whatever effective measures we can to protect our citizens.

I have also heard the term ‘scare campaign’ being bandied about over some of this government’s actions. I remind all members that this is no smart, slick, spin-doctoring exercise. This is not making some ill-founded or baseless prediction about something which will probably never happen, such as the non-existent mass sackings under Work Choices which were predicted by the ACTU. This is about preventing the deaths of more Australians and others at the hands of callous mass murderers. I support this bill.

Mr Hatton (Blaxland) (11.50 am)—I am happy to follow the member for Tangney. He gave a very considered speech. The first part of his speech dealt with the broad situa-
tion in regard to Iraq and Afghanistan and the problems of terrorism generally. The latter part of his speech dealt with the particularities of this bill and the necessary situation we face as a result of potentially one of the most enormous attacks on people travelling by air—a series of attacks that, if they had come off, would have had a greater impact than what we saw on 11 September 2001.

Equally, I am happy to follow the shadow minister and support every single one of Labor’s amendments to this bill. I say at the start that we support the two specific provisions of the bill but there are key questions to ask about how the government has gone about this.

I just do not understand this mob sometimes and why they make decisions in the way they do. If you have a look at the second reading speech by the member for Dawson on the Aviation Transport Security Amendment (Additional Screening Measures) Bill 2007 and compare it to the explanatory memorandum you find an interesting difference. The first two paragraphs are fundamentally the same, but I would like to know, from whoever is going to make a response to this, why we have a government which, when they put this bill forward, say in the explanatory memorandum:

The International Civil Aviation Organization recommends the introduction of security control guidelines for member countries, by 1 March 2007. The Australian Government has taken the decision to introduce these measures for international inbound and outbound flights from 31 March 2007.

As far as I know, everyone in the world has complied with the 1 March 2007 deadline. As the shadow minister said in his speech, there will be one month more of insecurity for Australians. Why leave a window of opportunity for terrorists in the year in which we are hosting APEC, the biggest set of meetings for the Asia-Pacific that one can imagine? Those meetings are not just held in September when the 35 leaders roll up and have the summit at the end of that APEC process; in the month beforehand, ministers, ministerial officials and departmental officials will meet to prepare for that summit. In fact the process has already started. We have already had meetings in Perth. There have been Comcar drivers going over there from here to undertake work. They will be doing that all over Australia. Australia is the centrepiece of the Asia-Pacific this year. So in the war on terror—and we have just dealt with the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill—we have had to wait five years for the government to bring these matters to the parliament. That delay is utterly unconscionable.

If you look at the member for Dawson’s contribution, you see that she does not actually make the point that it was recommended for 1 March 2007. She says instead that on 8 December the Deputy Prime Minister and Minister for Transport and Regional Services announced that from 31 March 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. Why is there that difference of a month? It is unimaginable. The airline business is international in scope, and Australia is entirely dependent upon it. You have a network that in fact works together.

In the aborted attempt by terrorists, and there were up to 50 of them, to use liquids and gels to blow up a whole series of intercontinental aircraft from a series of American providers—US Airways, American Airlines and Continental Airlines—we know that action was immediately taken by the homeland security chief of the United States. We know that, despite the fact that the President was on vacation, the US acted. We
know that, despite the fact that Prime Minister Blair was on vacation, the plot was foiled because of fundamental antiterrorist work in the United Kingdom of the highest order and quality. We know that they tracked up to 50 people, some in the area of High Wycombe. They were not yet on planes; they were at the point where they were moving towards the execution point for this plot.

The government entities moved quickly. They still could not be sure, even after they had arrested people and put them into secure circumstances to interrogate them, that they had got everyone because the number of people involved was substantial. The British acted. There was complete and utter chaos at Heathrow. There was chaos in the United States, in Singapore and worldwide. I thought, ‘Why aren’t we taking the same sorts of measures here in Australia on our inbound and outbound flights at the same time?’ We can only guess that they made their minds up and said, ‘Well, they were headed from Britain to the United States so they wouldn’t have been planning anything here, would they, so we really don’t need to worry too much.’ You have to ask: why have Australians been put at risk through all that period of time? Is it because they think they nabbed everyone in one quick go?

We know that in 1995 or so Ramzi Yousef had a go at blowing up a plane. He had some liquid on him. He attempted to blow up a plane. He was nabbed and taken into custody. So there was a bit of a trial run there. Then there was the case of Richard Reid the shoe bomber. After the al-Qaeda attacks on September 11, Richard Reid was grabbed on a flight—I think it was a flight out of Manchester, from memory; I could be entirely wrong, that is not novel—bound for the US. People grabbed him because he had a lighter and was down at his feet trying to light his shoes. He was going to not only blow his feet off but also blow the bottom out of the aero-plane. He was taken into custody. He had come from a mosque in London that was a haven for people—as we have certain havens here in Australia—with a fundamentalist bent. These people are hell-bent upon destroying not only the West as we know it but also the Islamic countries as we know them in order to set up an older version of what life should be like—fundamentally a medieval approach to what the world should be like: a caliphate. They want to do that in the Asia-Pacific. One of the methods they use is blowing up planes. We know that in the Lockerbie incident there were plastic explosives hidden in a transistor radio. That destroyed the lives of hundreds of people. It did immense damage to families across the world.

So what are we faced with here? As the member for Tangney pointed out quite rightly, and I think he understands this better than the Prime Minister does, the war in Afghanistan is absolutely fundamental. This government has taken its eye off the war in Afghanistan. In fact it cut and ran from Afghanistan and left Osama bin Laden, al-Qaeda and the Taliban to rebuild their capacity on the border with Pakistan with the tribal groups that have supported those terrorist organisations and to build back up towards the Taliban taking control again. The southern regions are extraordinarily difficult to monitor. The Australian soldiers who are there now, and the Australian soldiers going into Afghanistan, have a much harder job because of the excursion that the Bush administration took to Iraq—and he took the British and the Australians with him in that excursion. That is the dumbest thing I can ever imagine anyone doing. There was zero understanding shown of the creation of Iraq in 1924 from disparate elements, which would naturally shatter and fragment once you took the stopper out of the top of the bottle. Since then we have faced a situation
of civil strife and civil war. That has endangered not only Iraqis but also our troops who are there.

The concentration on Iraq, whether it was for oil, for Halliburton getting control of the contracts or for whatever reason—at least the Yanks had five declared reasons; this mob over here, the coalition government, had one—was dead wrong. In 1991-92, sure, Saddam had a lot. In, I think, the greatest con job in modern history, for 12 years he convinced everyone that he had the big show—the chest punched out and the gorilla beating the chest—that, yes, he had all these sorts of things. How poor was our intelligence with regard to that? How appallingly bad is our understanding of that region? Well, maybe it is not ours. Maybe it is the US administration. Maybe it is their blinkered view. Maybe it is this government and this Prime Minister and his cabinet who just do not understand the Middle East and do not fundamentally understand what drives terrorists. I hope that ASIS, ASIO and the Federal Police have a better handle on it than this mob.

There are measures involved here with regard to aerosols and other carry-ons. We still remember the transparent bags people had at Heathrow, not just the lines. For some people, the worst thing they faced was the fact that their personal computer was in the back of the plane or their iPod was gone for eight hours. People could not even take a book on board. But the danger was so clear and present that extraordinary measures had to be taken. What is most instructive about this was the scale of the activity—dozens of people, if not up to 50 or so and possibly more, prepared to undertake their journeys on a series of flights. It was not one person wandering on board, like Richard Reid with his shoelaces ready to go, and it was not like Ramzi Yousef. This was a coordinated attempt to put a number of different people on a plane in different places. One person would have an aerosol, another person would have a gel and another person would have a computer or an iPod. The actual weaponry to destroy the plane would be dispersed across the plane, and it would be brought into effect only by the combination of those items when people got together on the plane. Then they would be able to obliterate everyone on the plane.

The fundamental thing we need to understand is the amoeba-like changes that will affect us in terms of national security and antiterrorism. What the terrorists have done before they will not do again—at least not in the time frame we expect. Part of the enormous problem our security agencies have is that we have to cover the entire field, and that is extraordinarily difficult. That is where we need the cooperation of every person in the travelling public. I know that a lot of people will not like that aspect of this bill and the idea that people could get frisked. The member for Tangney talked about random frisking on a continuous basis. I think that is a bit over the top. If you look at the bill you will see that if an officer is of the opinion that, after initial screening, someone needs to be frisked then there are a series of provisions in the bill, and we can support these because they go to sensibly dealing with this situation. Firstly, the officer would have to have the apprehension that there is something that is very wrong and, secondly, the permission of the person to be frisked would have to be sought, and if that is not given then they would not get the go-ahead. Proper protocols would have to be undertaken. Whether or not it is a bit over the top, people do not like the idea of that being in the bill, and they certainly do not like the idea of being impelled to do things in a dramatically different way. But, if their life depends on it, people will make these changes and they will be more willing than they otherwise would be because of what we saw on
September 11: the enormous carnage of people who were entirely innocent. The victims of these fundamentalist terrorists are just that: innocent, voiceless victims. We have to never forget that fact when we are dealing with this problem.

We also have to understand what drives these terrorists. We have to cut off, as the shadow minister and I did in the last debate, money laundering and the ability to shoot funds from one end of the world to the other. It has taken five long, full years to bring that into this place, which is extraordinarily dilatory and extraordinarily dangerous for the Australian people. This legislation is quick compared with what they did with that. But we need to be aware of this as well: as these changes are made, and the disparate materials that could be used are identified, we need a better, upgraded screening process—and that has been hard enough to achieve over time. As the shadow minister and others have pointed out—we have two shadow ministers here: the member for Batman and the member for Brisbane—our regional airports still do not have adequate screening, and that is dealt with in this amendment.

We have the farce of the 400 missing aviation security cards, the very basis of the new regime for trying to ensure that people working at our airports and ports are the people who they say they are. You do not readily accept that these things will go missing. It is not like forgetting your Medicare card when you left it to make a claim, or your licence or a series of other relatively unimportant things; they are important enough, because someone can nick your identity. But when you are going to Sydney (Kingsford Smith) Airport you want to be assured, given what we know has happened before, that everybody in that joint has been through the screening process and that security officers know who they are. As I have pointed out time and time again, this government cannot be sure of that, because it has allowed private security operators in. It is like taking a head rent: you lease and sublease and sublease under that. With whoever has the security contract, the people they finally employ are way down the track, and we have no certainty about who the casuals are who work for them. That is a glaring security hole that has to be fixed, and it has not been done. There is an easy way to fix it: sack all the private security people and put Commonwealth government employees into our airports and ports to secure Australia’s national interest.

A government that were not just concerned about benchmarking and auditing—and they do not even do that very well, I have to say, on looking at the previous bill that I spoke on and this one. We need to be as sure as the Americans are that the people who are working in and securing these places can be relied upon as much as they can, that their identities are secure and that they are directed towards helping their fellow citizens. So it is vitally important that this is gone about in the right way. That is why Labor’s amendments are forceful and strong.

The implementation of civil aviation safety is enormously important. We still have not fixed the regional airports. Bankstown Airport, which is close to KSA and close to the CBD, is still not secured strongly enough. We know not only that the September 11 people got a run at this in terms of doing their training at GA airports like Bankstown but that you can pick up an aircraft there and fly it into any building you want to relatively easily. We need to do a hell of a lot more there because of its proximity.

We also need to be aware that we have to be flexible and fleet-footed, and we have to rely very strongly on the Australian community at large, particularly those elements of the community in which people have their
ear to the ground. They are close to the people who are potentially our home-grown terrorists—as were the terrorists in the United Kingdom. That plot was about people who were home-grown, people who had grown up in Britain, people whom they should not otherwise have suspected. They were from a different background to others who had been previously involved.

Our fundamental security rests upon the willingness of an engaged citizenry to protect themselves. That goes to the very core of the Muslim community in Australia. The vast majority of those people want to do exactly that because they know that they will be under attack or they will be under pressure unless they help other Australians to secure themselves. They want their families to be secure when they travel. We need people, particularly those from other language backgrounds and with access to the community, to be our eyes and ears.

We all need to do this. Whatever has been done in the past, terrorists will try a whole range of other things. We need to have our intelligence feelers out and to have them as strong as possible. That is a measure that should be introduced on 1 March 2007. We should not have one extra month of uncertainty, delay and insecurity in 2007, which is the year of APEC. That is dumb. It is another example of the government quixotically doing something. We do not even understand why. Let them answer now. Let the parliamentary secretary tell us, after the member for Batman has finished, why the government has imperilled the community for another month. (Time expired)

Mr MARTIN FERGUSON (Batman) (12.10 pm)—I am pleased to be able to speak in support of the Aviation Transport Security Amendment (Additional Screening Measures) Bill 2007. This bill will strengthen Australia’s national security and in doing so enhance, as the member for Blaxland said, the protection of Australian travellers and workers within the air services industry. We should not forget in debating these issues that a number of us travel frequently, but the people most exposed are the workers in the industry. It is therefore very important from a health and safety point of view that we attend to these issues on a regular and rigorous basis, because those people will potentially be putting their lives on the line every day of the week if we do not get this security regime right.

When you think about it, air travel in years gone by was seen as a glamorous pastime reserved for the rich and famous. The only fear associated with flying then was about coming to grips with the gravity-defying suspension of a metal projectile several kilometres above the earth. How times have changed. This debate signifies just that, and what a great challenge we have as a global community. The fear associated with flying has been redefined in the 21st century as the global community comes to terms with the threat of terrorism that, in the six years since September 11, has changed all our lives for the worse. It has manifested itself in congestion, longer waits, closer scrutiny and screenings that any passenger on both domestic and international travel finds themselves subjected to if they want to travel by air. We all have to appreciate that we have to put up with this and be patient with the workers who have responsibility for carrying out these vital duties. Unfortunately, sometimes when you go through airports some passengers are not sufficiently patient about what is a very difficult task. It is about time some of them learned to respect the difficult job being carried out by ordinary workers in trying to secure our safety in the air.

I say that because the threat is not imaginary, and that is what this debate is about. Unfortunately for the global community, ter-
terrorist networks continue to have an active interest in undermining aviation. This week, for instance, Australia’s top transport bureaucrat revealed that the terror threat to the aviation sector was high and that an attack would devastate the economy, with the potential to wipe out $30.1 billion from our economy over two years. So it is not just a threat to our own security as human beings; it is also a threat to our economic prosperity as a nation. Just think about potentially wiping out $30.1 billion from the economy over two years. That would equate to a loss of two per cent of Australia’s GDP and 146,000 jobs if terrorists were successful in destroying an Australian airliner. This bill, the Aviation Transport Security Amendment (Additional Screening Measures) Bill 2007, appropriately seeks to enhance airport security and ultimately goes some way to trying to stem this growing global concern, a growing global threat to our own security as human beings.

The bill results from the thwarted terrorist attack at the United Kingdom’s Heathrow Airport on 10 August 2006. Security officials at the United Kingdom’s Department for Transport revealed on the arrest of 21 main suspects in the planned attack that, if carried out, the plot would have committed mass murder on an unimaginable scale. That was the objective: mass murder on an unimaginable scale. The planned attack was sophisticated and international in its scope and is thought to have involved up to 50 people. It also revealed a key weakness in the world’s airport security, with the terrorists planning to use liquid explosive disguised as beverages and other common products and detonators disguised as electronic devices. The liquids and the devices would have been assembled airside, having been taken through passenger and cabin baggage security, and then the explosions would have detonated aboard the trans-Atlantic aircraft whilst in flight.

The cunningness of the plot is frightening. It involved comprehensive planning and understanding of the air security processes and, unfortunately, an extensive network of willing participants. Perhaps what is most worrying is that, whilst this particular terror threat originated out of the thwarted United Kingdom attack, the framework and mode of operation governing its design was not home-grown by those apprehended; the vast majority of those arrested in the United Kingdom were of Pakistani origin, which means that the threat is by no means confined to the United Kingdom or even Europe.

An attack similar to that thwarted by the United Kingdom’s security services in August could be mounted any time in the world, and this poses very serious challenges to the global air community. That is why the opposition stands in support of this bill as a needed measure to deal with a threat that, while not conceived of even six years ago, has been brought about by the rapidly changing world in which we live.

The bill will enhance screening measures to limit the amount of liquids, aerosols and gels that can be taken through an international screening point by people flying to and from Australia. It also introduces a new section to allow an additional capacity for screening officers to ask travellers through a screening point to undergo a frisk search. These changes will come into effect on 30 March of this year and will apply to international travellers to and from Australia. It is a huge challenge for our community.

Last year we welcomed 5.5 million visitors, of whom incidentally 29 per cent arrived on Qantas planes alone, while 4.9 million residents departed Australia for an overseas holiday. This means it will potentially affect over 10 million air travellers, which is
a significant number of people, and needs significant planning for successful implementation. In that context, I congratulate the airlines and the airport owners and the associated contract security companies for the practical and responsible manner in which they have conducted themselves in negotiations with the department to put these changes in place. It is a huge challenge to the industry and it also requires us, the travelling public, to work with the aviation industry to implement this successfully because there will be problems in the initial implementation.

The amendments conform to the recommendations of the International Civil Aviation Organisation, ICAO, and have been adopted in the United States, Canada, the United Kingdom and the European Union. This bill will ensure that Australian screening procedures will harmonise our airport security regulations with the actions already being taken worldwide. It will obviously mean some disruption to passengers’ habits when travelling internationally, as they can now only carry on liquids in containers of no greater than 100 millilitres which are to be contained within a resealable plastic bag of maximum capacity not exceeding one litre. This requirement that liquids be stored in a transparent bag may seem an oddity; however, its benefit is that liquids will be easy to display and inspect and hence it will overcome, wherever possible, unnecessary delays at security points at airports.

The new regulations reflect the simple fact that present-day screening machines cannot distinguish one liquid from another quickly enough to allow for an efficient airport screening process. So, while it will be inconvenient for some passengers accustomed to taking on board their own beauty products, soft drinks, gels and deodorants, if the current regulations remained it would result in even lengthier disruptions and longer queues. It is a practical way forward.

The disruptions caused as passengers familiarise themselves with the new regulations are also anticipated to be minimal and will soon be seen as normal practice when completing airport security screening, just as we have adapted to all the other changes over the last five to 10 years. As a community, Australia continues to demonstrate its ability to adapt for the right reasons to new situations, and Australian travellers have matured as a travelling public to one that now accepts that increased security measures are in the best interests of everyone’s safety. Overseas experience in the EU, the United Kingdom and the US show that the regulations can be adopted relatively easily with careful planning and good consumer education. The planning and community education component of the new guidelines will be critical if they are going to prove successful at keeping delays to a minimum while also delivering improved security.

Remember: this is not going to be easy, because the effects of this bill potentially impact on over 10 million people. For that reason this week I welcomed the minister for transport’s announcement that 1,900 security screeners will start training in threats to air security from liquid explosives. This is a new challenge to the workers engaged at the coalface in carrying out and accepting these additional responsibilities. They are not ordinary security guards operating at a hotel in the city or a bank in the suburbs; these people have huge responsibilities and they should be respected and paid accordingly. The four-hour training will hopefully ensure smooth airport security processing of passengers post-31 March 2007. Additional staff will also be present at airports on the day of introduction to help ease any delays, and the Federal Police have been given briefings on liquid bombs.
This preparation within the industry, and the community education, hopefully will help avoid the chaotic scenes of Heathrow immediately after the August 2006 thwarted attack that saw thousands of holiday-makers facing severe delays with massive queues snaking through airport terminals. I also welcome the commitment demonstrated by airlines—and they have spoken to me about this—in willingly adopting new security measures that will increase their workload and heighten the responsibility of care for passengers.

The issue of terrorism has placed huge and additional responsibilities on airlines and airport owners. The nature of airline travel has changed radically not only for passengers but also for airlines with respect to how they operate and the responsibilities of their staff. And remember this: it is the staff who will have to accept responsibility for implementing these new regulations. In recent years, by way of example, Qantas have invested over $260 million in increased air security measures to close down loopholes that could have posed possible terrorist threats. As the Wheeler report noted, security at our airports pre-September 11 was at times dysfunctional, lax and impeded by a lack of effective policing. We have come a long way since then, but we must always remain vigilant to overcome any weaknesses in the system.

It is therefore of continuing concern to the opposition—and we have continually raised this since September 11—that the screening of luggage at regional airports is inconsistent. Late last year more than 67,000 regional flights were unchecked in Australia. That is a huge loophole. These are serious issues, Mr Deputy Speaker Quick, as you know as a Tasmanian. You only have to go to Burnie to see this gaping hole in aviation security. I believe that people flying out of these regional airports are not provided with the necessary air travel protection, and it is about time the government got serious about doing something to close this loophole.

Community education on the new regulations is just as imperative. The rollout of the department’s marketing campaign must occur as scheduled because, let’s face it, 31 March is not far away. As a frequent traveller, I often speak with other passengers and I am acutely aware that the community’s understanding of the new regulations is currently far from adequate. The great majority of Australians would have no understanding of the complexities of the bill before the House today.

The government have advised the opposition that brochures will be sent to travel agents, airlines and airports. I only hope that this is enough. It is their responsibility to make sure not only that they put legislation in place but also that the workers undertaking the duties are adequately trained in partnership with the airline industry, airports and security companies. The government need to go that one step further and educate the travelling public about the inconvenience that will be caused by these necessary regulations. I say that because there is a lot of community confusion out there about duty-free items in particular. I urge the government to ensure that a community education campaign clarifies how the new regulations will impact on duty-free purchases.

Some people are unaware that they can purchase duty-free goods such as spirits, perfumes and beauty care products once they have cleared security. Items purchased beyond the screening points are subject to separate security controls and are deemed safe for passengers to take on board only when they are disembarking from the plane they have boarded as their final destination—that is, they do not have any connecting new flights. If they are travelling to a new destination on
a new plane, they are required to clear secu-
rity again, when any duty-free products may
be confiscated. For example, if I were flying
to Los Angeles from Sydney or Melbourne,
and LA was my final destination, then I
could purchase duty-free items; however, if I
were connecting to a domestic American
flight, I would not be able to do so.

These issues have been raised with me by
the airline industry. We have to make sure
that the travelling public is aware of these
difficulties or there will be major concerns
when people have purchased such duty-free
products. Obviously there will be some ex-
ceptions to the new regulations—for exam-
ple, mums needing milk for their babies or
people with illnesses who require medica-
tion.

I welcome the department’s liaison with
community groups on the implementation of
the new regulations. In particular, the Cancer
Council is keen to ensure that sick people are
not discriminated against. The government
has also indicated that investigations are un-
derway on whether the new regulations
will be applied to domestic flights. I understand
from my frequent consultation with the in-
dustry that there is some concern with this
proposal. Federal Labor will monitor this
situation very carefully.

I say in conclusion that national security is
a priority for the opposition, but it is not in-
terested in unnecessarily burdening travellers
in the air travel industry with regulations that
do more to appease our notional fear than to
improve security. It is about getting the right
balance. As a party we are committed to op-
timising security and responding quickly to
any new threat, yet the industry’s tolerance
and ability to absorb the increasing list of
regulations must be considered on the way
through.

This brings me to a further criticism of
the government in respect of this bill. The ICAO
recommendations, adopted largely world-
wide, stipulate the need for the new regula-
tions to be brought into effect by 1 March—a
date that will lapse tomorrow. There can be
little doubt that the safety of air travellers
and workers within the air travel industry,
including flight attendants, pilots and crew,
has been diminished with the emergence of
this new threat. Planes have always been
vulnerable terrorist targets and, whilst the
resistance has been fortified, terrorists intent
on causing harm and destruction will always
think of another avenue of attack. That is
why the government needs to respond
quickly to this new threat and to not wait
another month before implementing the nec-
essary new regulations.

An ICAO letter to all member states, in-
cluding Australia, highlighted that success
for mitigating and eliminating all threats to
civil aviation could be achieved only through
the concerted effort of everyone concerned,
in a close working relationship between the
national agencies of member states, which
includes Australia. Unfortunately, as re-
ferred to my frequent consultation with the in-
dustry that there is some concern with this
proposal. Federal Labor will monitor this
situation very carefully.

I say in conclusion that national security is
a priority for the opposition, but it is not in-
terested in unnecessarily burdening travellers
in the air travel industry with regulations that
do more to appease our notional fear than to
improve security. It is about getting the right
balance. As a party we are committed to op-
timising security and responding quickly to
any new threat, yet the industry’s tolerance
and ability to absorb the increasing list of
regulations must be considered on the way
through.

This brings me to a further criticism of
the government in respect of this bill. The ICAO
recommendations, adopted largely world-
wide, stipulate the need for the new regula-
tions to be brought into effect by 1 March—a
date that will lapse tomorrow. There can be
little doubt that the safety of air travellers
and workers within the air travel industry,
including flight attendants, pilots and crew,
security at regional airports and we expect the government to fix these gaps. It is the government’s responsibility. We obviously would relish the opportunity to do it, because we think we can do a better job. I commend the bill to the House. (Time expired)

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for Foreign Affairs) (12.30 pm)—In rising to sum up on the Aviation Transport Security Amendment (Additional Screening Measures) Bill 2007, I want to commence by thanking members on both sides of the House for their comments and contributions to the debate on this bill. I respect the contributions made and, whilst respectfully disagreeing with some, I think the general proposition has been well argued.

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. This bill makes amendments that are necessary to the Aviation Transport Security Act 2004 to better manage vulnerability in the technical capability of aviation security screening points with respect to liquid explosive detection. The aim of the proposed amendments is to enhance the screening measures to limit the amount of liquids, aerosols and gels that can be taken through a screening point by people flying to or from Australia.

The bill amends the power to write regulations under the act to cover liquids, aerosols and gels. As a necessary enhancement, the act is also amended to allow for appropriate frisk searches at screening points. The government has paid careful attention to the issues raised by the Australian aviation industry at consultative forums and is incorporating these comments into the implementation of the new restrictions. Overall, this bill facilitates screening for liquids, aerosols and gels. This is necessary to protect Australians and the Australian aviation industry. I commend the bill to the House.

The DEPUTY SPEAKER (Mr Quick)—The original question was that this bill be now read a second time. To this the honourable member for Brisbane has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The 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.

Third Reading

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for Foreign Affairs) (12.32 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

CORPORATIONS AMENDMENT (TAKEOVERS) BILL 2007

Second Reading

Debate resumed from 14 February, on motion by Mr Pearce:

That this bill be now read a second time.

Mr BOWEN (Prospect) (12.33 pm)—Labor will be supporting the Corporations Amendment (Takeovers) Bill 2007, though I will be moving an amendment in the consideration in detail stage. The Takeovers Panel was established as a replacement for the Corporations and Securities Panel as part of the Corporations Law Economic Reform Program in 1999. Labor welcomed the introduction of the Takeovers Panel. It does a good job. The panel takes a lot of litigation out of the process of takeovers and it ensures as smooth a process as possible as takeovers occur. It has been an effective forum in resolving disputes and reducing litigation dur-
ing the bid period. These would otherwise increase costs of takeovers, which is not good for the Australian economy or, in the end result, consumers. The role of the panel, however, should not restrict companies involved in takeover disputes from the right to judicial review of its decisions.

The amendments in this bill arise out of two court cases, Glencore International AG v Takeovers Panel of both 2005 and 2006—the Glencore cases. The Glencore cases construed more narrowly than had previously been the case the jurisdiction of the panel. This bill seeks to amend the Corporations Act to ensure that the panel will continue in its role of resolving disputes during the takeover period. The panel has the power to make declarations in circumstances in relation to the takeover or the control of an Australian company it finds to be unacceptable during the bid period. In determining whether activities by companies involved in takeover bids are unacceptable, the panel has relied on the definition of ‘substantial interest’. In the Glencore cases the panel decided that equity swap arrangements to indirectly purchase shares through two investment banks was a substantial interest, which gave them jurisdiction over the bid. However, the Federal Court took a different approach. The Federal Court found that the equity swap did not increase Glencore’s substantial interest and therefore precluded the panel from making any declarations with regard to this bid.

The disclosure of equity derivatives, although an issue arising out of the Glencore cases, is not dealt with explicitly in this bill. Labor supports the view of the Parliamentary Joint Committee on Corporations and Financial Services—on which I serve—that there should be consultation with stakeholders to amend chapter 6C of the Corporations Act on the issue of disclosure of equity derivatives. We also support the view that this should happen as a matter of priority. So the specific issue which arose out of the Glencore cases is not addressed in this bill. We recognise that this will take considerable consultation. We recognise that it is important to get this right. We say that consultation should occur on an urgent basis and that more legislation should be introduced in the future to deal specifically with the issue of equity derivatives.

The bill seeks to clarify the definition of a substantial interest in section 602 by inserting a new section, 602A, which gives an indirect definition, so that the panel’s role should not be limited to the matters described in the section. It also amends section 657A so that the panel’s jurisdiction when making a declaration of unacceptable circumstance is not restricted to looking at current circumstances but includes past and future circumstances of the control of the company. This amendment effectively expands the jurisdiction of the panel by allowing it to prevent likely future effects of circumstances that it reviews.

The bill repeals the requirement to give each person to whom the panel’s order relates an opportunity to make a submission on the matter and substitutes this with a new requirement to receive submissions only from those people directly affected. It also creates a time limit for concluding reviews on panel decisions.

Currently, there is no definition of a ‘substantial interest’ in the act, and this is an anomaly which has given rise to the Glencore case. Labor supports the insertion of the section 602A definition of substantial interest. We note that there were a number of concerns raised with the Parliamentary Joint Committee on Corporations and Financial Services in relation to the indirect definition. The indirect definition of substantial interest is said to have the potential to be misinterpreted, to increase uncertainty and to raise
the possibility of the panel inventing its own jurisdiction. This issue was raised by the Australian Institute of Company Directors with the joint committee. The explanatory memorandum states that there are limits to the definition of the substantial interest. The amendment is not intended to include, for example, the interests of employees, suppliers and customers who are involved in the company.

The bill also seeks to expand the jurisdiction of the panel, as I said, so that it can consider the likely future effects of the current circumstances. This matter was addressed in some detail by the joint standing committee, of which I am a member. The Treasury and the panel itself made the point to the joint committee that a prescriptive definition would encourage people to dance around the definition and to find loopholes. Rather, a non-prescriptive definition allows the panel more scope to roam. On balance, the Treasury’s argument is one that we find persuasive.

There were also concerns raised that the amendment would allow the panel to consider the effects of circumstances in the past, present and future, which would increase the jurisdiction of the panel in a way which could not be foreseen. Paragraph 657A(2) qualifies the jurisdiction of the panel by using the words ‘having regard to the purposes of this Chapter set out in section 602’. This would create more certainty about the scope of the panel. After some consideration, Labor has supported the Law Council’s suggestion. This was also a bipartisan and unanimous recommendation of the joint committee. When the bill moves to the consideration in detail stage, I will move an amendment to give effect to Labor’s position, which is to support the submission of the Law Council of Australia to the joint standing committee.

Concerns were also raised that the new proposal would allow the panel to receive only submissions from parties who will be directly affected by the proposed order. Labor understand these concerns and the motivations of the people who raise them; however, we support this change as it will increase the efficiency of the panel’s proceedings.

We acknowledge that there may be a range of ways in which shareholders increase their interest in targeted companies that may not trigger a review by the panel. Labor are of the view that there needs to be a review of chapter 6C of the Corporations Act to consider separately the issue of the disclosure of equity derivatives. Again, this was a bipartisan recommendation of the joint standing committee, and we call on the government to adopt it.

Labor believes that the Takeovers Panel has an important role to ensure that change in the control of a company occurs in as smooth an operation as possible and with the market having the best information possible, as set out in section 602 of the act. Labor supports the bill as part of a corporate regime that will increase the efficiency of the takeover process without restricting the right of parties to access the courts to review its decisions in accordance with the principles of administrative law. Labor believes that the
amendment, which I will move in the consideration in detail stage, could make this a better bill. However, Labor supports it as a good bill.

Mrs VALE (Hughes) (12.42 pm)—The purpose of the Corporations Amendment (Takeovers) Bill 2007 is to implement legislative amendments to the provisions of the Corporations Act 2001 that relate to the Takeovers Panel. It is designed to allow the panel to continue to act in an effective, efficient and expeditious manner, relying on the specialist expertise of its members, so that the outcome of any takeover bid can be resolved by the target shareholders on the basis of its commercial merits.

The Takeovers Panel is the primary forum for resolving disputes about a takeover bid until the bid period has ended. The panel is a peer review body with part-time members appointed from the active members of Australia’s takeovers and business communities. The panel is established under section 171 of the Australian Securities and Investments Commission Act—the ASIC Act. It is given various powers under part 6.10 of the Corporations Act. The panel has a full-time executive based in Melbourne to assist members of the panel and the takeovers community, draft policy and provide support to the panel in its decisions.

The panel has wide powers. Its primary power is to declare circumstances in relation to a takeover or to the control of an Australian company to be unacceptable circumstances. The panel has the power to make orders to protect the rights of persons, especially target company shareholders, during a takeover bid and to ensure that a takeover bid proceeds in the way that it would have proceeded if the unacceptable circumstances had not occurred.

The Australian panel is similar and yet different to those in various other jurisdictions which have takeovers panels. The most commonly known jurisdiction is in the United Kingdom, which has the London Panel on Takeovers and Mergers. There are also takeovers panels in Ireland, South Africa and Hong Kong. Singapore has a Securities Industry Council, which administers a takeovers code in a very similar manner to London. An important role for the panel executive is to liaise with market practitioners, discussing current and prospective takeover matters and policy issues in order to provide a real-time perspective on the panel’s guidance notes and decisions as they may apply to current or prospective takeovers. However, the panel’s executive are not delegates of the panel and therefore do not perform any of its discretionary or adjudicative roles. In other words, the panel executive does not make decisions in panel proceedings regarding the merits of an application or circumstance. Those decisions are made by sitting panel members. Advice which the panel executive may give as to its assessment of any real or hypothetical circumstance discussed with market participants or parties is not binding on the panel or on any sitting panel. The panel executive routinely prefaces any discussions with market practitioners with such a disclaimer.

Panel members are appointed by the Governor-General on the nomination of the minister under section 172 of the ASIC Act. There is a minimum of five members. The members are currently all part-time members. They are nominated by the minister on the basis of their knowledge or experience in one or more of the fields of business, administration, finance, law, economics or accounting. State ministers may give the federal minister submissions on nominations to the panel. The panel is intended to have an appropriate mix of professions, business expertise and geographic and gender representation. The Governor-General may also ap-
point one member to be the president of the panel under section 173 of the ASIC Act.

The fundamental objective underlying the takeovers law is to ensure that the purposes set out in section 602 of the act are achieved, and in particular that the acquisition of control over the voting shares or voting interests in companies takes place in an efficient, competitive and informed market. The panel requires broad and flexible powers to perform the role envisaged for it, which includes being the main forum for resolving disputes about a takeover bid until the bid period has ended in accordance with those principles.

However, two Federal Court of Australia decisions relating to the panel, the 2005 case of Glencore International AG v Takeovers Panel and the 2006 case of Glencore International AG v Takeovers Panel—case 1290 and case 274, known as the Glencore cases—have interpreted the limits of the jurisdiction of the panel as set out in the current legislation. As a result of those cases, concerns were raised that it may be open to read the panel’s powers and jurisdiction in the current legislation in a way that is too narrowly formulated to enable the panel to perform effectively the role envisaged for it by the parliament. In particular, there were concerns that the interpretation of the term ‘substantial interest’ in the decision based on existing defined provisions may prevent the panel from being able to deal with new and developing interests and tactics in relation to takeovers.

There was also a concern that the panel may not be able to act to prevent the effects of unacceptable circumstances even if they are clearly apprehended, but rather may need to wait until those effects and the consequent harm have actually occurred. There was also concern that the panel may not be able to address all the circumstances which impair or affect the efficient, competitive and informed market for control of voting securities in companies. Further, there were concerns that under the interpretation set out in the Glencore cases the panel’s power to make orders to protect the rights or interests of persons affected by unacceptable circumstance may be too confined, with the result that the panel may not be able to properly address the effects that the circumstances have on the interests of those persons.

This bill responds to those concerns and also addresses other concerns about the limits of the orders that the panel can make and the time limit for concluding a review of a panel decision. Looking at this bill, an inclusive definition of ‘substantial interest’ is inserted as section 602A of the act. The definition does not define all the interests that will be considered ‘substantial interests’ but provides that a substantial interest is not confined to the three specified forms of interest. These are: a relevant interest as defined, legal or equitable interests in securities and powers or rights in relation to a company, body or scheme or securities in it. The definition is intended to ensure that the term ‘substantial interest’ is broad enough to encompass new and evolving instruments and developments in takeovers and to deter avoidance of the purposes of the takeovers law. It is not intended that every involvement with a company, listed body or listed managed investment scheme will be a substantial interest. The definition also provides for regulations to specify that particular interests may constitute or do not in themselves constitute substantial interests. This provision should allow any future uncertainty about the application of the term in particular circumstances to be addressed.

In regard to item 3, paragraph (2)(a) of section 657A of the act currently provides that the panel may declare circumstances to be unacceptable if it appears to the panel that
they are unacceptable having regard to their effect on the matters specified in subpar-
graphs (i) and (ii). The amendment allows the panel to make a declaration having re-
gard to what the panel is satisfied is the past, present, future or likely effect of the circum-
stances. This makes it clear that it is for the panel to satisfy itself as to the effect or the likely effects and that the panel can make a declaration before any effect has actually occurred. In regard to item 4, the new para-
graph (2)(b) is inserted in the act to give the panel jurisdiction to declare circumstances unacceptable having regard to the purposes of chapter 6 of the act set out in section 602. This is a significant change, designed to en-
sure that the panel can address circumstances which impair those purposes without having to also establish either a contravention of the act or an effect on control or potential control of a company on the acquisition or proposed acquisition of a substantial interest in a company.

The intention is to give the panel a wider power to give effect to the spirit of the act. The new paragraph also ensures that the panel can make a declaration of unacceptable circumstances in relation to the affairs of one company, being the company referred to in subsection 657A(1), where the effect of the unacceptable circumstances relates to or is primarily manifest on another company or the securities of either company.

Paragraph 657A(2)(c) is a replacement for the current paragraph 657A(2)(b), expanded so it covers past, present, future and likely contraventions, for consistency with the amended paragraph 657A(2)(a) and the new paragraph 657A(2)(b). Each of paragraphs 657A(2)(a), (b) and (c) are worded to cover past, present, future and likely effects and contraventions.

In item 5, paragraph 657D(1)(a) of the act currently requires the panel, before making an order, to give an opportunity to make submissions to each person to whom the proposed order relates. If this is interpreted to include more than just persons on whom the order imposes obligations there could be tens of thousands of such people in some cases, including each current and potential shareholder in the relevant companies. The amendment means that the opportunity re-
quired by paragraph 657D(1)(a) need only be given to each person to whom the order is directed. Paragraphs 657D(1)(b) and (c) will continue to require the panel to provide each party to the proceedings and ASIC an oppor-
tunity to make submissions about the orders which it proposes to make.

With item 6, paragraph 657D(2)(a) of the act currently allows the panel to make orders it thinks appropriate to protect the rights or interests of any person affected by the cir-
stances. This amendment means that this is not confined to rights and interests directly affected by the circumstances. The amend-
ment ensures that the panel can make any order it thinks appropriate to protect any rights or interests of a person or group of persons where the panel is satisfied that their rights or interests have been, are being, will be or are likely to be affected by the unac-
teruptable circumstances. This will allow the panel to protect the interests of those persons more effectively. The amendment will also ensure that the panel may make orders which protect the interests of a group of persons whose interests have been affected rather than requiring it to address the effects person by person.

Section 657EA, in regard to item 7, is amended so that the time limit for the panel to make a declaration on a review runs from the time the application for review is filed, not from the time when the original application is filed. Currently the legislation does not specifically address the time limit for review proceedings and the time limit in sec-
tion 657B could already have expired before the application for review is even made.

In conclusion, the Corporations Amendment (Takeovers) Bill 2007 responds to concerns about the limits of the orders the Takeovers Panel can make and the time limit for concluding a review of a panel decision. These amendments will allow the panel to get on with the job of resolving disputes and protecting the rights of persons, especially target company shareholders, during a takeover bid and to ensure that a takeover bid proceeds in a fair way. I commend this bill to the house.

Mr PEARCE (Aston—Parliamentary Secretary to the Treasurer) (12.56 pm)—I would firstly like to thank those honourable members, the member for Prospect and the member for Hughes, who have taken part in the debate today on the Corporations Amendment (Takeovers) Bill 2007. This bill will ensure the Takeovers Panel has clear, flexible and adequate powers so that it can continue to act efficiently and effectively as the primary forum for resolving takeover disputes without being subject to a constant threat of legal challenge. There is general consensus that, since the panel was reconstituted in March 2000, it has performed its functions well and should continue to do so. The current bill will ensure that the Takeovers Panel will continue to contribute to the current healthy operation of the takeover market in our country.

Recent court cases have thrown some doubt on the extent of the panel’s powers. This bill is designed to remove those doubts, clarify the law and enable the panel to get on with its work. The bill has already been considered by the Parliamentary Joint Committee on Corporations and Financial Services. I want to take the opportunity today to thank the committee for its timely consideration of the bill and note that its feedback is being very closely considered. Some sections of the earlier exposure draft bill have been amended slightly in light of the committee’s review. The committee also considered that the panel should have a broad based jurisdiction in order to discharge its functions without constant concerns about jurisdictional challenges. The questions it raised revolved around whether particular provisions were best designed to achieve the aim sought. The question was raised by the committee of whether alternative wording should be used in paragraph 657A(2)(b). This option has been rejected. The alternative wording suggested would be unduly narrow and difficult to apply, in the view of the government. The wording creates uncertainty, which could lead to increased jurisdictional arguments and increased litigation.

A further question was raised by the committee in relation to equity derivatives and whether the law should be amended to require their disclosure. I think this is a good question, and we are prepared to look at it. This will require very close examination of some of the very complex issues that fall outside the scope of this bill.

In conclusion, this bill will contribute to the open and efficient operation of our takeover market. It will do that by restoring the position of the Takeovers Panel to that originally intended by the parliament. I therefore commend the bill to the House.

Question agreed to.
Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr BOWEN (Prospect) (12.59 pm)—I move:

Schedule 1, item 4, page 4 (line 9), omit “having regard to”, substitute “because they are inconsistent with or contrary to”.
I appreciate the comments of the Parliamentary Secretary to the Treasurer in summing up the second reading debate. As I said in the debate on the second reading, the Parliamentary Joint Committee on Corporations and Financial Services, on a bipartisan basis, recommended the acceptance of the submission of the Law Council of Australia. The Law Council of Australia is a respected body and it does not make submissions such as this lightly. Its submission was found to be persuasive not only by Labor members but also by government members on that committee, including the chairman, Senator Chapman, and Senator Brandis—who is no longer on the committee, of course; he is now a minister—and others. This submission was very well thought out and made its case persuasively. That case is that the words ‘having regard to’ would give the panel such broad jurisdiction that it would be open to challenge and open to misinterpretation. The words ‘because they are inconsistent with or contrary to’ give the panel much better guidance from this parliament as to the way it does its business. It is not a restrictive clause; it is not a clause which attempts to take away the panel’s jurisdiction, but rather one which would give it proper guidance and proper guidelines.

For that reason we call on the government to accept this amendment, which was unanimously carried by the joint committee, of which I and the shadow minister in the other place, Senator Wong, are members. We regard this as making the bill a better bill. As I said in my remarks on the second reading debate, we regard it as a good bill, but this amendment would make it a better bill.

Mr PEARCE (Aston—Parliamentary Secretary to the Treasurer) (1.01 pm)—I appreciate the view of the shadow spokesperson, the member for Prospect, on this amendment, but the government does not support the first recommendation of the Parliamentary Joint Committee on Corporations and Financial Services. We do not support it because we think that it is unworkable and unduly narrow. The Takeovers Panel was established to take takeover cases away from the courts in most instances. It needs a broad power, we believe, for experts to decide the commercial issues based on broad principles and what they consider to be unacceptable. The aim of this bill is really to give the panel a wide power so that it can act and make these commercial decisions, which give effect to the spirit and the purpose of the act. The PJC itself actually acknowledged that the panel needs this broad jurisdictional reach, and I would put to the opposition that adopting this recommendation actually takes away from that; it actually unduly narrows the panel’s scope. That really is the primary reason why the government will not accept this amendment.

Question put:
That the amendment (Mr Bowen’s) be agreed to.

The House divided. [1.06 pm]
(The Deputy Speaker—Hon. BK Bishop)

Ayes...........  48
Noes...........  76
Majority.......  28

AYES
Albanese, A.N.         Bevis, A.R.
Bird, S.               Bowen, C.
Burke, A.E.            Byrne, A.M.
Danby, M. *           Edwards, G.J.
Elliot, J.             Ellis, A.L.
Emerson, C.A.          Ferguson, L.D.T.
Ferguson, M.J.         Fitzgibbon, J.A.
Garrett, P.            Georgas, S.
George, J.             Gibbons, S.W.
Grierson, S.J.         Griffin, A.P.
Hall, J.G. *           Hatton, M.J.
Hayes, C.P.            Hoare, K.J.
Irwin, J.              Kerr, D.J.C.
King, C.F.             Lawrence, C.M.
Macklin, J.L.          McMullan, R.F.
Bill agreed to.

Third Reading

Mr PEARCE (Aston—Parliamentary Secretary to the Treasurer) (1.13 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

TAX LAWS AMENDMENT (2007 MEASURES No. 1) BILL 2007

Second Reading

Debate resumed from 15 February, on motion by Mr Dutton:

That this bill be now read a second time.

Mr BOWEN (Prospect) (1.13 pm)—The measures encompassed in Tax Laws Amendment (2007 Measures No. 1) Bill 2007 are sensible and will meet with the support of the opposition. Schedule 1 of the bill allows the Commissioner of Taxation to disclose taxpayer information to Operation Wickenby task force officers and to officers of future compliance operations. Operation Wickenby is, of course, the multiagency operation established in 2004 to crack down on offshore tax fraud. It is led by the Australian Taxation Office. Other agencies involved are the Australian Crime Commission, the Australian Federal Police and ASIC.

Allowing the commissioner to share information with other government agencies involved in Operation Wickenby should help the compliance task force investigate tax evasion and enforce the law. The amendments allow the commissioner to disclose information to officers at Operation Wickenby and agencies for any purpose related to the task force. It also allows the commissioner to disclose information to officers of the agency for any future task forces established to protect Australia’s revenue. Labor supports all of the efforts by the Australian tax office to address tax avoidance and eva-
sion and to increase fairness in the tax system.

I note that there has been some concern by some commentators about the potential privacy implications of this measure. The Law Society of New South Wales, the Taxation Institute of Australia and the Law Institute of Victoria expressed concerns in their submissions to the government’s discussion paper late last year. We respect these views and, of course, the motivation of these bodies. However, on balance, we are satisfied that these proposals are sensible.

I do note the concern of the Law Institute of Victoria that organisations such as ASIC will have no legal requirement not to disclose personal information provided to it by the Australian tax office. This is a valid issue to raise and perhaps the Assistant Treasurer, when he sums up this debate, could address that concern.

I do understand that the Australian tax office and ASIC have concluded or are about to conclude a memorandum of understanding on the sharing of information. I would assume that this would include a provision that ASIC would not provide the information to any third party. I recognise that this would not have the force of law if this were the case, but we do recognise the need for these measures and we do seek reassurance from the government that every possible protection is being put into place.

The government has made a significant financial commitment to Operation Wickenby; over $300 million has been allocated to the project over seven years. The 2006-07 budget measures increased revenue as a result of the operation. It estimated the increased revenue to be $323 million over four years. I note that the tax commissioner stated in additional estimates approximately two weeks ago that he is confident that the $323 million figure will be reached, and Labor certainly hopes that this is the case.

Schedule 2 of the bill proposes amendments to the Superannuation Guarantee (Administration) Act 1992 to enable the Commissioner of Taxation or another ATO officer to provide information to an employee in response to their superannuation guarantee complaint against their employer. The provisions of the Superannuation Guarantee (Administration) Act prohibit the disclosure of information about the progress of any action in relation to any person. This prevents the ATO from providing information to employees on the progress of their superannuation guarantee complaints. The amendments will allow the ATO to provide information to an employee in response to that employee’s complaint that their employer has not complied with its superannuation guarantee obligations.

The ATO will be allowed to provide information on the steps taken to investigate the complaint, actions taken in relation to the complaint and steps taken to recover any superannuation guarantee charge from the employer. Again, this is an eminently sensible measure. It is not logical for privacy laws to prevent an Australian government body from presenting information to the very individual concerned. If an individual rings up the Australian tax office and says, ‘I want to find out how my complaint’s going,’ it is illogical for the Australian tax office to have to say, ‘I can’t tell you how your own complaint’s going because it might breach your privacy.’ It beggars belief that the privacy laws could prevent information being given to an individual about their own case. So we support this schedule wholeheartedly; we have no concerns about it at all. The amendments will allow enhanced services to employees with concerns about their employer’s contributions.
I do note that this is estimated to cost $19.2 million over four years. I note that the budget announcement concerning this measure also mentioned that the government would clear the backlog of complaints made to the ATO in relation to superannuation, and I gather that that is the reason for the $19.2 million worth of cost.

Schedule 3 of the bill proposes amendments to a number of the tax acts to extend employee share ownership concessions and related capital gains tax treatment to stapled securities. The amendments allow the employee share ownership concessions for employee share ownership schemes to apply to stapled securities and rights that are included with an ordinary share listed on the Australian Stock Exchange. Currently, only the ordinary share component of a stapled security can qualify for the employee share ownership concessions. The other component, for example a unit in a trust, will be subject to fringe benefits tax.

Of course some companies encourage employees to participate in employee share schemes by offering them discounted shares in that company. Where the scheme complies with the employee share scheme income tax rules, certain tax concessions apply to the share discount given to the employee. Employees can choose when they include the discount given on the shares or rights in their assessable income through the upfront concession or the tax deferred concession.

Where an employee elects to take advantage of the upfront concession, the taxpayer obtains a $1,000 income tax reduction in the year that they acquire the shares. The difference between the purchase price and the market value is included in the employee’s assessable income in the year of acquisition. Only the excess over $1,000 is included in the employee’s assessable income. Therefore, if an employee receives $1,000 or less of shares they will not pay any tax on that acquisition.

Of course, the second option is to defer the tax liability on the shares for up to 10 years. Where an employee defers tax liability on the shares, the difference between the purchase price and the market value is included in the employee’s assessable income in the year in which the cessation of time occurs. The cessation of time is either when the shares are disposed of, when the disposal restriction ceases, when the employee’s employment with that particular organisation ceases or 10 years from the date of acquisition of the shares. Capital gains tax and fringe benefits tax concessions also apply. Labor supports this proposal.

There is strong evidence that employee share ownership schemes result in higher productivity. Some evidence suggests that the productivity differential between similar firms is six per cent higher for the firm with an employee share ownership scheme. Even at the conservative end of estimates, studies suggest that an increase of three per cent in productivity is likely with the introduction of an employee share scheme.

In 1987 a study in the United States found a 50 per cent increase in productivity when firms introduced an employee share ownership scheme. In other words, a firm with productivity growth of two per cent would have a growth rate of three per cent after the introduction of a share ownership scheme. Most studies find that the introduction of a share ownership scheme, in conjunction with participatory management, delivers the best results.

In 2000, a Rutgers study found that sales employment and sales per employee increased from 2.3 per cent to 2.4 per cent after the introduction of an employee share ownership scheme. As the Employee Ownership Group points out, these gains might seem
small but, over 10 years, a company with a share ownership scheme will be 30 per cent bigger than it would otherwise be. This is good for the Australian economy, as well as being good for the individual firm involved.

Australia must take any step which improves productivity. I am glad that the honourable member for Lilley is in the chamber. He wrote a very fine article in the *Australian Financial Review* today about productivity. As shadow Treasurer he has been talking about productivity for months on end, if not years. And he has a lot to talk about because, currently, Australia’s productivity record is particularly poor. We have been seeing a slowing of productivity growth. In September 2006, the quarterly national accounts showed that productivity growth actually declined by 1.6 per cent in the previous six months. They also showed that labour productivity had not increased since June 2004. That is more than two years with zero net productivity growth.

When the Governor of the Reserve Bank appeared before the House of Representatives Standing Committee on Economics, Finance and Public Administration, I think last week in Perth, he agreed with the committee that the fall in the increase in productivity was not entirely due to the mining boom. He pointed out that, even when you take the mining boom out of the equation, we still have very worrying productivity trends. We are seeing the gap between productivity in Australia, the productivity in the United States and the productivity of our competitors getting bigger. We are not catching up.

What is this government’s response? To introduce Work Choices. Work Choices does not increase productivity, but things like employee share ownership schemes do. Employee share ownership schemes can give you positive partnerships: partnerships between employers and employees, to improve the way they do business, to give employees a stake in the firm and to give employees more motivation to increase their productivity. Instead, this government drives us to a wages race to the bottom.

So far this decade we have seen Australia’s productivity, compared to the levels in the United States, fall from 85 per cent to 79 per cent. That is a very significant drop. It is unusual to see figures of that magnitude when you are talking about productivity gaps between nations. In this decade we have seen a six per cent productivity gap between Australia and the United States. That is a very poor result indeed and we as a nation, as a government and as a parliament must embrace measures to improve productivity. We welcome this as one very tiny step from the government, which is a positive contribution to improving Australia’s productivity rate.

We would like to see much more of this. And we will see much more of this under a Labor government, because improving productivity is a priority for the Rudd Labor opposition and will be a priority for the Rudd Labor government. We need to see much more productivity in this nation. We need to talk about it more and we need to do more of it. Only by improving productivity can we compete with our competitors. It is not through reducing wages, it is not through driving wages down to the bottom, as we see from this government; it is through innovative measures to improve productivity. This proposal is a good, small first step.

This proposal will encourage more employees to take a financial interest in the company for which they work. However, the government could do even more to encourage employee share ownership schemes. Put aside all the other things they could do about productivity in the education field, for example. They have had 11 years in office
but have done very little to increase the take-up of employee share ownership schemes.

The House of Representatives Standing Committee on Employment, Education and Workplace Relations conducted an inquiry into employee share ownership schemes in 2000 and recommended that stapled securities be included for ESS purposes. They conducted that inquiry in 2000. It is now 2007, and we are dealing with this legislation.

It has taken seven years for the government to adopt the bipartisan recommendation of their own committee. That is seven years of lost opportunities in relation to productivity. I am not suggesting that employee share ownership schemes are a magic bullet, I am not suggesting they turn around productivity overnight, but they are one part of the process. They are one part of the policy response that this nation must provide to improve productivity.

In February 2004 the then Minister for Employment and Workplace Relations, the member for Menzies, announced a target of doubling employee share ownership schemes in workplaces, from 5.5 per cent to 11 per cent by 2009. We are roughly halfway through that period and the latest Australian Bureau of Statistics data show the total number of employees participating in employee share schemes has risen from 5.5 per cent in 1999 to 5.9 per cent in 2004. We need to see much more of an increase. I recall that the Prime Minister once said that he wanted Australia to be one of the great share-owning democracies of the world, but the government has done very little to promote employees owning shares in their own companies.

Finally, I note that this is the first of the tax laws amendment bills of the year, no doubt the first of many. The government, as is its wont, will be introducing many tax laws amendment bills, and we still have no action from the government in relation to section 51A(d) of the act. When I see every tax law that comes into this place, I think maybe this is the time the government will fix section 51A(d)—maybe this will be the one; maybe we are finally going to see some action.

Mr Swan—Never!

Mr BOWEN—As the honourable member for Lilley says: never. I am constantly disappointed that the tax laws amendment bills that come into this House say nothing about section 51A(d). This is a clause that the government said in 2003 it was urgent to fix. They took decisive action and issued a press release. Then we heard nothing. As I have said before, a press release changes nothing. If this is how the government deal with something that is urgent, I would hate to see how they deal with something on the backburner.

At estimates hearings last week, we heard the Treasury confirm that one of the reasons we have yet to see action on section 51A(d) is that it has to compete with other government priorities for action. The former Assistant Treasurer—not the one just past, or the current one, the member for Longman, but the one before that, Senator Coonan—said in 2003: ‘This is urgent. This is a priority for the government.’ Here we are in 2007, and we are still debating tax laws amendment bills which say nothing about section 51A(d), which do nothing to stimulate investment in infrastructure projects. On the contrary, in another tax bill the government is making it harder to raise funds for infrastructure projects. But there will be plenty of other opportunities to talk about that.

I noted with interest that the Institute of Chartered Accountants, in its budget submission, has included a reference to seven major tax measures which have been announced. The press release was issued but no legislation was introduced. The amendments to
section 51A(d) and division 16D are the most significant. Again, we call on the government to introduce this reform into the House as a matter of urgency. We support the measures in this bill and we will be voting accordingly. They are sensible measures. They improve tax compliance and make it easier for the Australian Taxation Office and the other agencies involved in cracking down on large-scale tax avoidance to do their job. They also make it easier for individuals to access information, which is their right. It is an individual’s right to know how their complaint about superannuation is going. It is an individual’s right to get that information. We support that. We also support any moves to encourage employee share ownership as something beneficial for the individuals involved, for the companies involved and for the Australian economy.

Mrs HULL (Riverina) (1.32 pm)—Today it gives me pleasure to support the Tax Laws Amendment (2007 Measures No. 1) Bill 2007. I want to focus on one area of the bill that is related to the disclosure of information relating to superannuation guarantee complaints. The objectives of these amendments are to enable the Commissioner of Taxation or an officer of the Australian Taxation Office to provide information to an employee in response to a complaint that an employee may have about an employer not complying with their obligations under the Superannuation Guarantee (Administration) Act 1992. It is particularly important that employees should be able to discuss information pertaining to the money that they have in their super accounts, particularly from the guarantee contributions. It is very important that they be able to have those discussions about the money—which they own—or, in some cases, the lack of money, in these superannuation funds.

Earlier this month I had reason to contact the minister regarding the concern of a constituent who had made contact with my office in Wagga Wagga in Riverina. That person’s employer had allegedly not been paying anything into their superannuation guarantee fund for the past three years. This person’s records showed that in the financial years of 2004, 2005 and 2006 the employee earned in excess of $80,000. We could reasonably assume that payments of nine per cent on that amount would equate to approximately $7,000. However, the amount that was on the superannuation statements did not reflect the amount of money being deposited into the constituent’s chosen fund.

All of the alleged payments that were supposedly contributed under the guarantee levy were printed on the payslips, yet the payments were not appearing on the constituent’s superannuation statements. She had a right to be concerned. Try as she might to discuss this, she simply could not access information as to her own accounts. She was not only concerned that the mandatory nine per cent superannuation employers are obliged to pay was not being contributed, but she was also disappointed in the way the Australian Taxation Office had handled her complaint. They could not give her any detail. She could not discuss what she felt was within her rights to discuss—and that is to determine the bottom line of her inquiry into this money not being forthcoming, or not appearing on the superannuation statements.

My office contacted the Australian Taxation Office and were told that the investigation would take possibly many months to complete. That is exactly what my constituent was told. I can understand process, and there certainly is a need to undertake investigations in these areas, but what concerns me is that when my constituent contacted the ATO in July 2006 to follow up the matter, after speaking with the employer, she was told to wait a further two months to see if any payments would be forthcoming. That
was fine; it was agreed. That was a simple and sensible thing to do. Sometimes the payments may be honoured in that time and there may be no need to pursue this any further. However, no payments were made. So my constituent again contacted the ATO and they again stated to her that they did not like the chances of seeing any money. They were concerned about the way in which the finances of the small businessperson might be impacted upon. They indicated that a matter like this could take anywhere between one and six years to be finalised.

When I read the intent of this bill, my interest was aroused because I think people are entitled to understand, to know and to expect that employers do the right thing. Time after time and occasion after occasion in this House I support and defend employers with respect to Work Choices, industrial relations and many other areas, but at the same time they have to be fair in their consideration and determination. Employers have an obligation to do the right thing by their employees, particularly in relation to their superannuation contributions. I become particularly aggrieved when I see employers choosing to do things with their finances other than meeting their clear and concise obligations for employees. If it is good enough for me to come into this House to defend the rights of employers in a host of industrial relations matters, which I will continue to do, it is simply good enough for me to come into this House to also ensure that I deliver my views about the ways in which I believe employers are obligated to do the right thing by their employees.

The passage of this new legislation will mean that employees will be able to obtain more information on the progress of their inquiries about the nonpayment of superannuation guarantee contributions. Let us face it: they belong to the employee. I believe employees have every right to access this information. Superannuation payments are supposed to be contributed so that employees will be able to live in the future—the reason the guaranteed nine per cent contribution was put in place in the first instance.

The changes are aligned with the findings and recommendations of both the Royal Commission into the Building and Construction Industry and the former Senate Select Committee on Superannuation and Financial Services. Under this new law, the commissioner may provide information to an employee in response to the employee’s superannuation guarantee complaint.

Under the current law the commissioner or an officer of the Australian Taxation Office generally may not disclose information held by them in the course of their duties. There is no provision at all for the disclosure of information to employees about their employer’s compliance with obligations under the Superannuation Guarantee (Administration) Act 1992. I think this is simply unacceptable.

An employee or former employee may make a complain to the commissioner where they think that their employer has not complied with its obligations under the Superannuation Guarantee (Administration) Act 1992. The complaint must specify the obligations in question, which is quite onerous. In the end, an employer may also have choice of superannuation fund obligations in respect of its eligible employees.

Under the law employers must make superannuation contributions to the employee’s designated superannuation fund at least every three months. You might recall that I said this employee had not had any payments made for three years. Superannuation contributions are invested over the period of the employee’s working life and the sum of compulsory and voluntary contributions, plus earnings, less taxes and fees is eventually
paid to the person when they choose to retire. People absolutely depend upon these, particularly as the retirement age is dragged out.

The sum most people receive is predominantly made up of their compulsory employer contributions. It is imperative that these be beyond question. I believe that, if an employer is not making the correct payments on behalf of an employee, they are not meeting their obligations and an employee has the right to lodge a complaint. They also have the right to find out where these complaints are up to and exactly how the investigation is going. I am fully supportive of this amendment to the Tax Laws Amendment (2007 Measures No. 1) Bill 2007. I congratulate the Minister for Revenue and Assistant Treasurer on introducing this legislation for the protection of employees. I commend the bill to the House.

Mr HATTON (Blaxland) (1.42 pm)—The Tax Laws Amendment (2007 Measures No. 1) Bill 2007 is an interesting bill—as is all tax legislation. It is an omnibus bill with a range of measures in it. The key is that it is tripartite. We are looking at a widening of provisions for the tax commissioner, in certain circumstances, in regard to an existing project, Operation Wickenby, looking at fraud against the ATO on an international basis. The funding for this program is due to run out at the time the sunset clause for this bill will run out. So when the funding runs out, the task force comes to an end—Operation Wickenby—and these two will come together.

The proposal is to change a fundamental provision of the tax act—that is, it is not normally the case that the commissioner will allow the private affairs of any individual to be communicated to another, a so-called ‘third person’. The specific provision here in regard to Operation Wickenby is this: under certain circumstances, members of the task force will be allowed to gain access to taxpayer information—normally private and secure—for the purpose of making an assessment as to whether or not there has been fraud against the Commonwealth.

There is a related provision, which on the face of it is a bit unusual, given that this particular task force is proscribed in time and has a sunset clause in relation to it. The wider provision, or the extension of it, is that if in the future there are task forces of the same nature as Operation Wickenby they can be encompassed by this legislation. They can be designated as such by the government and, under regulation, the tax commissioner could have the same effect—that is, he can allow private information to be communicated to the officers of those designated task forces.

I do not have a problem with that in any shape or form because the fundamental in this is always the key principle: how do you secure the Commonwealth’s ability to not only tax but in the gaining of the revenue ensure that those who would otherwise defraud the Commonwealth do not succeed? There are cases of massive amounts of fraud. Historically, we have seen case after case where those who were in the best position to do so, those who were richest, those who had the greatest capacity to buy their way out of not only their duty as citizens but their liability for tax, so arranged themselves and their circumstances to not pay much tax at all.

Wickenby is an important operation that has been ongoing for a number of years. The specific provisions we entirely support. If you look at the date in the sunset clause, 30 June 2012, you see that the task force ends and that is where the provisions end. If you look at the scope of Wickenby, you are looking at major fraud that is transnational. The expectation is that it will cost something in the order of $300 million, which has been
allocated over the seven-year period of Wickenby; that is a lot of money. The expectation is that, over four years, there will be $323 million in revenue back to the Commonwealth. Despite the fact that people have second-guessed and said, ‘Maybe that’s not going to be the case,’ the evidence of the Commissioner of Taxation to the Senate estimates committee has re-endorsed that argument and says that that is the order that we are looking at. That is a first initiative in this regard.

There is a second initiative which is expected to include standardising the provisions into a new framework, a single piece of legislation. So where at the moment changes to the secrecy and disclosure rules are limited to Operation Wickenby and future large-scale tax avoidance and evasion task forces, those proposals will be carefully looked at by Labor on a case-by-case basis. But the government will effectively be able to do this simply by regulation; it will not necessarily come back to us here. My major point: Labor has always been about security of the taxation revenue of the Commonwealth. Labor, before it came to power in 1983, argued against the bottom-of-the-harbour practices, which involved hundreds of millions of dollars, where the failure of the current Prime Minister who was then Treasurer to take action against the bottom-of-the-harbour schemes completely eroded the Commonwealth’s ability to ensure there was enough money coming in the front door to be expended on Commonwealth government programs.

When it came to power Labor ensured that there was rigorous prosecution of people who were involved in those campaigns. Throughout its period in government Labor was a very efficient economic manager and, not only that, was an active participant in ensuring that the Commonwealth controlled what happened in the taxation area. Provision was made for the department of taxation to go after those who sought to defraud at the bottom or at the top. So I support this initiative, as does Labor.

This is an omnibus bill. What is the third element? I will save the best for last when I come to the superannuation guarantee just before two o’clock. The third element, which involves the Income Tax Act and the other acts here, is to extend the employee share scheme concessions to certain stapled securities. So what is that about? Australia has not had a good history of incorporating employees into sharing the profits of a company. There are significant examples in the United States, particularly in Silicon Valley and in a range of other innovative areas, where employee share schemes have been the very basis of the innovation that has driven the United States economy and where the idea that, whatever a person’s skills, if they have a part to play in a company in producing not just for the company but the community and country at large, the smart thing to do is not to treat them like cattle or chaff but to make them an integral part of that entire process of production.

Those schemes have worked well. Okay, you could argue: that is very innovative; that is the stuff that ran out of Stanford University and has been the core of the transformation of Silicon Valley, and effectively the transformation of the most modern elements of the American economy and the leading-edge elements of what we have seen in the technological transformation of our world. We know that there are employee share schemes in operation in Europe, and they have worked very well. Take Germany, for instance: whatever its problems at the moment, in Germany we have seen a fall from the ‘grand coalition’ government, we have seen a fall from 12 per cent to 10 per cent in unemployment and we are now seeing 2.7 per cent growth over the past year. We have
seen a country that has absorbed the whole of eastern Germany and has made itself a greater Germany, a country that will play a much more significant part in the future. But the core of Germany’s postwar success has largely relied upon seeing its companies as an extension of its communities and ensuring that, in cooperation between the unions and the employers, the riches for Germany are created both for the people who run the place from the boardroom—and the Germans actually incorporate the unions at the boardroom level—and for the people on the factory floor producing good-quality goods for the world.

What has been the situation in Australia? Comparatively it has been pretty poor. It is not an integral part of the way we go about things. We have had a British model in which it is a case of excluding people rather than including them. We have not learnt the postwar lessons that Japan learnt. Go to the Honda plant in Japan or to Toshiba or to Sony and what you will see is not only a vast number of suggestion boxes around the place but a culture within which people are actively part of the production process, and there is a continual betterment of what is being produced.

They have employee schemes in operation there, because they understand that if you create something that is strong and unified it can endure. The Japanese have done a lot of things postwar that were wrong. They have not invested heavily in their own domestic needs and their own domestic infrastructure in the way that they should have, but they have got a lot of their corporate culture right in the way they have incorporated their employees.

What this offers for Australians is a chance to participate in the wealth that a company or an enterprise creates. You can staple securities to this. Stapled securities are available. It is a way of adding on to an initial set of shares. The terminology they use is that you can get this extra thing; there is a company employee share as part of that scheme and you can staple it to existing shares. They are specific because it is not part of the generality of what has been provided in terms of people taking up an interest in the company. This is a good and sensible move on the part of the Commissioner of Taxation, as are the fundamental moves that have been made in the other of the three areas that this bill deals with.

Commissioners of taxation are usually sensible; so is the Treasury secretary, Ken Henry. Ken Henry was sensible when he ran our operation in Paris, when he was Australia’s lead man in economic policy and Treasury policy in Paris. He just happened to do that after he had spent some considerable time in Treasurer Keating’s office. The person who is now the secretary of Treasury, who left Treasurer Keating’s office, went to Paris, extended his skills and is so significant as a public employee that even this government saw the benefit of picking him up and utilising his skills, who is someone sensible—Ken Henry—knows just about everything there is to know about the superannuation guarantee.

The nine per cent superannuation guarantee that we have now is dealt with in the third element of this bill:

... amends the Superannuation Guarantee (Administration) Act 1992 to allow the Commissioner of Taxation—or an ATO officer—to provide information to an employee in response to a complaint that an employer has not complied with its superannuation guarantee obligations.

You would think the scope of this would be narrow and confined. The fundamental scope is such that, at the moment, if you make a complaint that the employer has not kept up...
his end of the nine per cent, you go to the tax office and they say, ‘Sorry, pal, we can’t do anything for you,’ because the secrecy provisions are such that you cannot get any further with this. So what do these provisions do? When these amendments go through, a person in that position can say, ‘I have been rorted; I have not got my nine per cent.’ They can be told (1) what steps have been taken to investigate the complaint; (2) what actions have been taken in relation to the complaint; and (3) what steps have been taken to recover any superannuation guarantee charge from the employer.

I applaud these specific measures that will make it easier for someone who has been diddled out of their superannuation guarantee to hold the employer to account. But I would like to enlarge it for every person who is in receipt of that nine per cent superannuation guarantee. So we should take the provisions here and apply them to the federal Treasurer. We should be able to make a complaint against the federal Treasurer, because there was a nine per cent superannuation guarantee in place when he came to power and the government’s express intent was to move towards taking that nine per cent guarantee to 12 per cent and then to 15 per cent so that we could provide not just a superannuation guarantee but a living wage for people in retirement. Who nicked the extra three per cent of superannuation guarantee? This federal Treasurer and this government.

So, under the aegis of this, where an individual citizen is meant to check with the ATO as to whether or not they were diddled out of their superannuation guarantee entitlement, we should be able to put the federal Treasurer in the stocks and say to him simply this: why did you and this government move to take the superannuation guarantee as the final statement for all low-income employees in Australia? Why did you make provision for those at the top but say to people in the vast bulk, in particular the baby boomers, ‘You have not provided for yourself before, but you can look forward to a pension rather than to a superannuation guarantee,’ where they could have a living superannuation guarantee into their future?

The provisions of this bill for individual complaints should be enlarged as a class action by every Australian who would want to take it up against the member for Higgins in that he nicked the other six per cent of superannuation guarantee when he came to office as Treasurer. He did not invent the superannuation guarantee. That nine per cent, which is now over a trillion dollars worth of ballast in the Australian economy, is there not because of the member for Higgins but because the former Labor government put it into place. They also put into place the steps to go to 12 per cent and then to 15 per cent.

The provisions of this bill—where a single Australian can go to the ATO and say: ‘I want to know where the rest of my superannuation guarantee has gone; I want to know who has stolen it. I want to know why the
employer has made sure that I do not get it’—should be extended to the current Treasurer. Every Australian should be in a position in retirement to benefit from a 15 per cent superannuation guarantee. The only reason we have not got it is this federal Treasurer.

The SPEAKER—Order! It being 2 pm, the debate is interrupted in accordance with standing order 97. The debate may be resumed at a later hour and the member will have leave to continue speaking when the debate is resumed.

QUESTIONS WITHOUT NOTICE

Productivity

Mr RUDD (2.00 pm)—My question is to the Prime Minister. I refer him to a statement by the Reserve Bank governor that the real consequence of persistently lower productivity growth into the long-term future is simply that living standards do not rise as quickly as they might have. I also refer to the 2006 OECD Education at a glance report, which found that investment in TAFE and university education in Australia declined by seven per cent while the average increase across OECD countries was 48 per cent. Does the Prime Minister accept any responsibility for Australia’s declining productivity growth?

Mr HOWARD—Mr Speaker, I have two comments. Firstly, I think the Leader of the Opposition is selectively quoting the OECD. The reference was to public investment. My advice is that the education component of productivity growth in Australia has remained constant over the last 20 years.

Small Business

Mr BAKER (2.01 pm)—My question is addressed to the Prime Minister. Would the Prime Minister update the House on how the government continues to support Australian small business? Are there any threats to the small business sector?

Mr HOWARD—In reply to the member for Braddon, I remind the House that this government remains the best friend that small business has ever had. Not only is this government the best friend that Medicare has ever had, we are also the best friend that small business has ever had. We have done many things, and the most meritorious of all is the way in which we have provided a sound economic climate. The figures quoted yesterday by the Treasurer, in relation to the attitudes of small business to governments around Australia, illustrate that.

In recent times the removal of the unfair dismissal nightmare was a great boon to small business. I noticed in the past week that there have been a number of gyrations and permutations from the Labor Party in trying, once again, to walk both sides of the street in relation to small business. We know what Labor’s record was. Over the years before the current law came into operation, on 44 occasions the Labor Party voted against an exemption for small business that would have only extended to firms having 15 to 20 employees. The current law, of course, provides an exemption for firms with up to 100 employees.

Over the past couple of days the shadow minister responsible, the member for Rankin, has tried to walk both sides of the street. He briefed the Sydney Morning Herald to the effect that he was going to make a big speech last night in which he was going to announce a significant change in relation to Labor’s position on unfair dismissal laws. He said he was going to get rid of the Beazley reinstatement option. The whole impression was given that change was in the air, as far as the member for Rankin was concerned. But when the speech came out last night there was not a lot of change in the air. And that was picked up in an absolutely hilarious interview on Brisbane radio this morning between Madonna King and Craig Emerson in
which, amongst other things, Madonna King said:
You’re being a little tricky here, with respect, Dr Emerson, because I read you those parts of that report and at no point ...
And so the exchange goes on. Basically, what happened is that he briefed Phillip Coorey from the Sydney Morning Herald. He said: ‘Look, we’ve got a big speech tonight. We’re going to put our arm around small business. We’re going to look after them.’ Along comes the speech and nothing happens. Along comes his interview this morning and, quite understandably, the journalist was rather cynical about the way in which the member was behaving. But let me come to the nub of the policy issue and let me quote from the shadow minister. He said:
I am saying to you right now, in answering your question, that I have not said, either in the speech or on your program, that we are exempting small business.
Not in the speech or in the program!
What I am saying is that we will take into account the special circumstances of small business in developing our policies.
Let me say in very plain language to the member for Rankin, and to those who sit opposite, that the only way that you can take properly into account the special concerns of small business is to leave the law exactly as it is.

I can tell you what small business wants. Small business wants the present law. Small business does not want any tinkering with the present law. Small business does not want union officials back interfering in their business. Small business likes the present exemption. Small business knows that the present exemption has led to more jobs. Small business should be listened to, and the law should be left exactly as it is.

Education

Mr Rudd (2.06 pm)—Mr Speaker, my question is again to the Prime Minister. I refer to Labor’s plan for the creation of a national curriculum board to deliver a common national curriculum in English, history, maths and science.

Mr Pyne interjecting—

The Speaker—Order! The member for Sturt!

Mr Rudd—Prime Minister, why, after years and years of talk, has the government failed to act to deliver a national curriculum for Australia’s schoolchildren?

Mr Pyne interjecting—

The Speaker—The member for Sturt is warned!

Mr Howard—Mr Speaker, can I correct the Leader of the Opposition? I thought it was Julie Bishop’s plan, actually. One of the reasons that we have not made what I think is a very elegantly presented plan by the—

Honourable members interjecting—

The Speaker—Order! The Prime Minister will resume his seat. The level of interjections is far too high. The Prime Minister will be heard!

Mr Howard—I think one of the reasons why more progress has not been made on this is a thing called the education unions, who have been busily instructing state ministers. Let me say that I welcome the fact that the Leader of the Opposition has now come on board. One of the things that I will find interesting, and I am sure the minister will find interesting, is analysing the remarks of the former Deputy Leader of the Opposition the member for Jagajaga on this matter. If my memory serves me correctly—and I have not checked the record; I may be wrong—I have a faint suspicion that when the idea of a national curriculum was raised by the minis-
ter it was lambasted by the member for Jagajaga as a terrible attempt by the Howard government to impose ideological uniformity on the skills of Australia.

Mr Crean interjecting—

Mr HOWARD—I could be wrong, but let us check the record.

Superannuation

Mr HENRY (2.08 pm)—My question is addressed to the Treasurer. What are the benefits of the government’s reforms to superannuation and what are the legislative arrangements to implement those reforms?

Mr COSTELLO—I thank the honourable member for Hasluck for his question. In last year’s budget I announced the biggest reform of taxation arrangements for superannuation in Australia’s history. Those reforms dramatically simplify the taxation of superannuation and they make superannuation the preferred investment for every Australian. Every Australian who has money in a taxed superannuation fund, once they reach the age of 60, will be able to withdraw that sum entirely tax-free. It will be tax-free if it is taken out as a pension; it will be tax-free if it is taken out as a lump sum. In addition to that, the government announced its proposal to change the assets test taper rate on pensions so that 321,000 Australians will be eligible to benefit from improved arrangements from 20 September 2007.

What this will do is give many Australians an incentive to remain in the workforce after the age of 60, drawing down on their superannuation tax-free and having a part-time job at a lower marginal tax rate. It will also mean that Australians no longer have to pay for complicated advice when they are heading towards retirement. It will abolish reasonable benefits limits and it will encourage young people to get into superannuation through the course of their working lives. After 40 years of employer contributions, an average worker earning $1,000 a week is projected to increase their retirement income by 17 per cent as a result of these tax changes. A self-employed 25-year-old earning $28,000 and contributing two and a half thousand dollars a year would be expected to increase their pension benefit at retirement by over $88,000. These are reforms which will boost incentives for saving. These are reforms which will boost retirement incomes.

Susan Ryan, the former Labor minister, said after these reforms were announced, ‘Maybe faced with the Treasurer’s bold gazumping of Labor’s cherished but slightly shabby property the opposition will find the resolve to get another big picture worked out and the wherewithal to let voters know about it.’ Unfortunately the opposition has not managed to do that. I want to quote Garry Weaven, the ACTU adviser and superannuation fund advocate. He said, ‘The government’s budget initiatives have proved the Liberal Party is now the official party for superannuation.’ Garry Weaven is an ACTU adviser and lifetime ALP supporter. The good news is that the legislation for these reforms went through the parliament yesterday. This is now law. The biggest superannuation change in Australia’s history has now been enacted. It is going to give benefits to all Australians who save through superannuation, and it will take effect from 1 July this year.

DISTINGUISHED VISITORS

The SPEAKER (2.12 pm)—I inform the House that we have present in the gallery this afternoon members of the Committee on Standing Orders of the Parliament of the Democratic Socialist Republic of Sri Lanka. On behalf of the House I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!
QUESTIONS WITHOUT NOTICE

Education

Mr Rudd (2.12 pm)—My question is again to the Prime Minister. I refer to the Prime Minister’s answer to my last question where he said that the proposal for a national curriculum was in fact a proposal from the current education minister, Julie Bishop. Does the Prime Minister recall the fact that in 2002 the previous education minister, Brendan Nelson, also promised to establish a national curriculum? Prime Minister, what has the government been doing for the last five years in not delivering this outcome for a national curriculum for this country, which our children need?

Mr Howard—I am quite aware that the former minister for education the very distinguished former member for Goldstein in this parliament did raise that proposal. I am also aware, as no doubt the Leader of the Opposition is aware, that in order to bring about something of this nature you do need the cooperation of state governments.

Opposition members interjecting—

Mr Howard—I would have thought that it was self-evident that you do need the involvement and cooperation of state governments. My experience is that sometimes state governments cooperate with you and sometimes they do not. Sometimes some state governments cooperate with you and one does not—although hopefully later on that state government will cooperate with you. I have to say that, over the past few weeks, every time the issue of a national curriculum has been raised the reaction of state education ministers—

Mr Crean—Oh, it’s their fault.

The Speaker—Order! The member for Hotham is warned.

Mr Howard—No, I was just observing it. It is not their fault actually. Every time the issue has come up, in the case of New South Wales the state education minister has said, ‘Well, we’re not going to alter our curriculum because we think all the others are lousy.’ In the case of the other state education ministers, they have said, ‘We’re not going to have the federal government imposing their views on us.’ So it will be very interesting to see whether there are good national curricula and bad national curricula and whether the reaction of state education ministers will be the same to the proposal put forward by the Leader of the Opposition, which is essentially the same as that which has been advocated by the Commonwealth for a number of years. If in fact the state education ministers change their tune because the federal Labor Party have put up the proposal, it will demonstrate what we have believed for a long time: that they have been playing politics for a number of years.

Transport Infrastructure

Mr McArthur (2.15 pm)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the Deputy Prime Minister explain to the House how the government’s sound economic management is allowing the Australian government to invest in our future to improve transport infrastructure, particularly in my electorate of Corangamite?

Mr Vaile—I thank the member for Corangamite for his question and recognise his interest in making sure that the federal government invests appropriately in the critical infrastructure in his part of Australia, in Victoria, and in particular the work he has done in getting investment in the Geelong ring road. I know that he has been a long and passionate advocate of that investment. Interestingly, out of $1.3 billion going into Victoria out of AusLink, $186 million is going into the Geelong ring road. The member for Corangamite is also a great advocate of en-
suring that state governments shoulder their responsibilities for their roads. This is after the negotiated outcome of the AusLink corridors between the Commonwealth and the states, where we have agreed as a Commonwealth government to invest in specific roads. The states have said, ‘Well, you do that and we’ll shoulder our responsibilities over here.’ That is all very well until after the signing, and then they head off and start blaming the federal government for not putting money into their roads. A classic example in Victoria is the Princes Highway, and I know that the member for Corangamite actively holds the Victorian government to account to ensure that they step up to the plate and shoulder their responsibilities as far as the Princes Highway is concerned.

We are investing unparalleled amounts of money in Australia’s infrastructure through AusLink. Over the next 20 years the freight task in Australia is going to double. We are going to need this investment. In the current round of AusLink we are investing $15 billion in the AusLink corridors which we have agreed with states. That should allow the states to invest more money in their responsibilities. We continue to seek that process and ask them to do that, as was agreed through the AusLink negotiation ultimately endorsed by COAG. If the states could make some more progress in terms of their planning and in terms of their investment in their roads, we would see much better progress as far as the overall infrastructure in the nation’s roads is concerned. So, instead of the states blaming the Commonwealth for not fixing their roads, they should get on and do it themselves. We will continue to invest in the AusLink corridors, but we will also hold them to account.

We have an ally in this; it is the member for Batman. We appreciate his comments. I heard somewhere in a media interview today the Leader of the Opposition talking about a bipartisan approach to fiscal responsibility in this country. We have not seen it for the last 11 years; maybe we are about to see it. But he did make that point. However, the member for Batman is echoing my sentiment. I read with interest in the Surf Coast Echo a comment he was reported to have made about the Princes Highway. The member for Batman is reported to have said:

‘I understand the local community’s and council’s frustration but the buck stops with the state government. I know my responsibility and that is not one of them,’ Mr Ferguson said. ‘The duckshoveling needs to stop. We can also play the blame game.’

I thank the member for Batman, because that is the truth. We negotiated the responsibilities for the different infrastructure corridors across Australia with the states under AusLink. We will continue to invest in AusLink, but we expect the states to continue to invest in their responsibilities, and this is one of them.

Mr Speaker, you will recall that last week the member for Fraser asked me a question about the blame game: are we going to continue to blame the states? Yes, we are—where they are not shouldering their responsibilities. That is the answer I gave last week. We look forward to more bipartisan support on fiscal responsibility, and this is one of them.

**Child Care and Early Childhood Education**

Ms MACKLIN (2.19 pm)—My question is to the Prime Minister. Is the Prime Minister aware of the 2003 work and family prime ministerial cabinet submission, which included a recommendation that the Treasurer, the then Minister for Children and Youth Affairs and the then minister for education report to cabinet in mid-2004 with models for the future direction of the childcare and early childhood education sectors? Is the Prime
Minister aware that the submission raised concerns about the quality of services for preschool age children? If so, when will the Prime Minister provide the funding necessary to make sure that all Australian four-year-olds have access to 15 hours of early learning a week?

Mr HOWARD—I certainly do remember the policy debate inside the government in 2003. Amongst other things, it has led to policies which have contributed to a turnaround in Australia’s fertility rate. I would have thought that, if we are concerned about the long-term future of this country, turning around our fertility rate is fairly important. That policy debate led, amongst other things, to the introduction of the baby bonus. It also led to the introduction—and the member for Lilley will remember this—of the $600 a year supplement, the supplement that was not real. I can tell the member for Lilley—through you, Mr Speaker, as always—that it was very real indeed. This government’s policies in relation to the balance of work and family have been remarkably successful. The member for Jagajaga talks about the respective sectors dealing with children. I do remind her, not in an exercise in the blame game but rather—

Opposition members interjecting—

Mr HOWARD—Well, I am very interested in this expression ‘blame game’. They love it opposite. When the Labor Party talk about the blame game ending, what they mean is that you have to stop blaming the states, all of which happen to be Labor, and continue to blame the Commonwealth, which happens to be a coalition government. I do not want to play the blame game.

What I do want to do in this country is to play the responsibility game. The responsibility game is that we have certain responsibilities and the states have certain responsibilities. We do not expect the states to shoulder our responsibilities, and, in the 10 or 11 years I have been Prime Minister of this country, at no stage have we asked the states: ‘Will you do this instead of us doing it?’ It has always been one-way traffic, normally on the basis that the states want us to pay some money to them to do what they are already paid to do.

Let me say that there are responsibilities, and early childhood services, particularly in relation to preschool, have been one of the fundamentals of that policy arrangement between the Commonwealth and the states. So, in the name of the responsibility game, I invite the former Deputy Leader of the Opposition, the member for Jagajaga, to have a talk to some of her state colleagues.

Uranium Exports

Mr WAKELIN (2.23 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the value of our uranium exports and of recent advances in the legal framework for these exports. Are there any alternative policies?

Mr DOWNER—I thank the honourable member for Grey, whose electorate contains Roxby Downs, the second largest uranium mine in the world. It is soon to be the largest. In 2005-06 Australia exported 10,000 tonnes of uranium ore concentrates. That was valued at $545 million. The expectation is that this year our uranium exports will be worth some $700 million. That is enough uranium to power almost 50 nuclear reactors, producing, interestingly enough, 40 per cent more than Australia’s total electricity production, or two per cent of global electricity.

So our uranium exports make a very strong contribution to the global energy scene. Last year our uranium was used in the United States, Japan, France, Korea, the United Kingdom and a number of other European countries. It is worth reminding the
Wednesday, 28 February 2007    HOUSE OF REPRESENTATIVES

House that on 3 February the nuclear safeguards agreement that we negotiated with China entered into force. I acknowledge that the Leader of the Opposition supported this agreement, saying that he approved of the proposal of the Australian government to negotiate and then conclude an agreement with China to export uranium to China.

The honourable member asked whether there are alternative policies. Let me make this point: the Labor Party does have an alternative policy. The Leader of the Opposition is going to go to the national conference of the Labor Party, and the Labor Party will be briefing the media that this is going to be a big challenge to get through a change to the three mines policy. Any journalist who writes that that is going to be a big challenge and a difficult task is a sucker, because that deal is already done. The Leader of the Opposition is not a brave man, and he would not take such a proposal to the Labor Party national conference if he thought there were any chance on earth of it being defeated. So do not write that story.

The second thing is that the Leader of the Opposition and the majority of the Labor Party are saying, ‘We think Australia should export more uranium.’ That is what the Labor Party’s position is, and that is good. I agree with that. The Leader of the Opposition, though, also says that nuclear power stations are a bad idea, that we should not have nuclear power stations in Australia, that we should not have nuclear power and that nuclear power is dangerous. He asks, ‘What is going to happen to all the waste?’ and all those sorts of questions. Hang on. I believe that the Leader of the Opposition goes around telling people that he is the cleverest person in politics. Bearing that in mind, if he is so clever, how come he has not worked out the rather obvious proposition, if I may say so—the obvious conundrum—for him to say that it is a good idea to export uranium but it is a bad idea to have nuclear power stations?

What does the Leader of the Opposition think that this uranium is going to be used for? Fluorescent-faced watches or something like that? Lava lamps? To pave the streets of Paris—or Beijing, dare I say it? The contradiction and the hypocrisy in the Leader of the Opposition’s position are obvious for all to see. But it makes the point, does it not, that this Leader of the Opposition always has contradictory positions. He is in favour of more uranium mining and more uranium exports, but he is totally opposed to nuclear power stations. He says that he is the most brilliant person in politics, so he has worked out that that is a contradiction. Why does he do it? He does it because the Leader of the Opposition is not only the most brilliant person in politics but also the greatest political opportunist ever seen.

Education

Mr STEPHEN SMITH (2.28 pm)—My question is to the Prime Minister. I refer the Prime Minister to Labor’s plan for an education revolution including a plan to encourage young Australians to both study and teach maths and science—core drivers of our economy into the future. Why, after years and years of talk, has the government not acted to address the fact that 25 per cent of science teachers do not have a science qualification and 25 per cent of maths teachers do not have a major in maths?

Ms JULIE BISHOP—I thank the member for Perth for his question. The Australian government believes that we should focus on where the problem lies in this area. Labor came up with a very hastily put together plan that entirely misses the point in relation to the teaching of maths and science in this country. We must engage young people at a primary or secondary school level. If they are not engaged and studying maths and sci-
ence by years 10, 11 and 12, they are not going on to study it at university. That is self-evident and it is entirely missing from Labor’s policy.

What the Australian government is focusing on is supporting teachers and schools, scientific organisations and universities to work with the schools through a range of programs that the Australian government has instituted to inspire young people to study science and mathematics when they are at school—that is where the problem lies—rather than coming up with a bandaid approach at the higher education level that has been proven not to work.

One thing I can say about the Leader of the Opposition: he has not had an original policy thought on anything, let alone education. He talks about his education revolution. Naughty boy! You stole that idea, didn’t you?

Honourable members interjecting—

The SPEAKER—Order! The level of interjections is far too high. The minister will be heard.

Ms JULIE BISHOP—You will have to go to the naughty corner, won’t you?

Ms King interjecting—

Ms Annette Ellis interjecting—

The SPEAKER—Order! The member for Ballarat is warned, and so is the member for Canberra!

Mr Albanese—Mr Speaker, I rise on a point of order. This is a serious question—standing order 104.

The SPEAKER—The Manager of Opposition Business will resume his seat.

Ms JULIE BISHOP—One thing we have learned is: the Leader of the Opposition has no original thought when it comes to policy development. He talks about his brave new frontier and education revolution, but guess what? Somebody is back in vogue: What did you learn today? Creating an education revolution by one Mark Latham. So the new policy adviser on education is Mark Latham?

Employment

Mr CAMERON THOMPSON (2.33 pm)—My question is to the Minister for Employment and Workplace Relations. Would the minister inform the House what impact small business has had on employment in Australia? Is the minister aware of any proposals which could jeopardise this contribution?

Mr HOCKEY—I thank the member for Blair for his question and note that in 1996, when the Labor Party was last in government, unemployment in Blair was 9.4 per cent; today it is 5.2 per cent, and that is a great story. There are 1.9 million small businesses in Australia. The number has grown by 700,000 since 2001 and, encouragingly, the number of small businesses employing people has increased by 31 per cent in the last three years.

We all know that the Labor Party’s job-destroying unfair dismissal laws were a major impediment to small business employing more people, so this morning I picked up the Australian and had a look at this article: ‘Labor won’t turn back IR clock.’ I thought to myself: ‘Wow! This is significant.’ I looked at a key quote from the member for Rankin and it said:

It is small businesses, not political parties, that make the hiring decisions.

I thought: ‘That’s reasonable. Hooray!’ The Labor Party gave me a bit of a hard time in this place when I said that business creates jobs, not government. So finally they are starting to see the light. In the article, the member for Rankin said:

... small business owners could not afford the time or expense of being dragged off to tribunals by
‘ambulance-chasing agents representing frivolous or vexatious claims of unfair dismissal’.

He went on to say:

Such claims were often designed to extract ‘go-away money’.

I said: ‘That’s exactly what we believed.’ We have been saying that for 10 years and, on the 44 occasions that the Labor Party voted in favour of the unfair dismissal laws and against small business, they never said this. I started to choke on my wheaties at this stage.

Opposition member interjecting—

Mr HOCKEY—I tell you what: I wasn’t choking on a glass of contact lenses—the member for Rankin has gone red. The member for Rankin went on to say that the unfair dismissal laws were a lawyers’ picnic—he would know something about that. So I thought: ‘Amen. The Labor Party at long last have seen that their job-destroying unfair dismissal laws are bad for small business,’ but then I picked up the transcript of ABC Radio in Brisbane—Madonna King; it is classic reading. Madonna King to the member for Rankin:

You’re telling Labor Party frontbenchers that they should exempt unfair dismissal laws but you don’t have an answer on that yet. Is that what you’re saying?

The member for Rankin:

No, I have not said that in the speech. I have not said—

Madonna King: No, I don’t care what you said in the speech. What is the situation?

The ABC is asking legitimate questions. The transcript continues:

Emerson: I’m saying to you right now in answering your question that I have not said either in the speech or on your program that we are exempting small business.

Madonna King: I don’t understand why you didn’t say this when I spoke to you a couple of hours ago about doing this interview.

Hang on—saying one thing off air and another thing on air? Hello! It is compelling reading. It is quite an engaging conversation. If you need contact lenses, get a microscope and have a look at this. It continues:

Madonna King: You’re being a little bit tricky here, with respect, Dr Emerson, because I read you those parts of the report and at no point did you say that any of it was inaccurate. What have you changed in the last two hours?

At any rate, it finishes with Madonna King saying:

I think it might be better if we have a chat when you’ve made a decision on how to deal with small business.

Amen to that! That is our position. We believe that business creates jobs, not government. We believe that the unfair dismissal laws have been an impediment to job creation by small business. We believe small business is the engine room of the Australian economy, and we believe that the best thing we can do for Australian small business and for job creation is to get out of the way, keep the unions out of the way and help to grow an Australian workplace.

Renewable Energy

Mr KATTER (2.38 pm)—Is the Prime Minister aware that in An Inconvenient Truth Al Gore quotes as his first solution to reducing CO₂ emissions ethanol—a 29 per cent reduction? Further, is the Prime Minister aware that the report from Argonne National Laboratory in Washington states that every tonne of petrol replaced by sugarcane ethanol reduces CO₂ by 2.6 tonnes? In light of this, can the Prime Minister advise the House that his national water scheme will incorporate North Queensland, which, with 50 per cent of Australia’s water, can afford the five per cent of this necessary to grow the sugar cane providing 100 per cent of Australia’s petrol and eight per cent of its electricity? Finally, since at current irrigation prices di-
version schemes—even Bradfield’s—may well be attractive, could he assure the House that these schemes will be seriously considered? If not, would he consider removing ‘We’ve boundless plains to share with golden soil and wealth for toil’ from the national anthem?

The SPEAKER—In calling the Prime Minister, I think the last part was unnecessary.

Mr HOWARD—Mr Speaker, I want to start with the last part. I think that anthem belongs to the people and not to the Prime Minister. In relation to the other parts of the question: yes, I have just heard of that report from the Argon National Laboratories in Washington. In relation to the National Water Initiative, the irrigation systems of the entire nation are eligible to share and boundlessly in what is provided under the plan, although by definition most of the money under that plan will go to irrigation systems in the Murray-Darling Basin because that is where most of the irrigation systems are. The plan is really stripped of superfluousness. It has two elements: one of them is to restore the irrigation systems through piping and lining; and the second is to deal with overallocations through, amongst other things, structural adjustments. The first takes about $6 billion and the second takes about $3 billion, but I have said that it is available to irrigation systems anywhere in the country.

In relation to the so-called Bradfield scheme, I indicated that we would be happy to examine any proposal put forward. I know that my colleague Senator Bill Heffernan, whom I have appointed as chairman of the task force into Northern Australia, has already made contact with the Queensland Premier, and there will be a consideration. I do not want to raise expectations, because there are lot of experts who do not think it has a prayer of working—it is too environmentally negative and costly—but we have an open mind. In a way, that is separate from the national water security initiative, but I have indicated a willingness to have it examined.

Health

Mr RICHARDSON (2.42 pm)—My question is addressed to the very good Minister for Health and Ageing. Would the minister outline to the House recent government improvements to Medicare, including new mental health initiatives? Is the minister aware of any alternative policies? What is the government’s response?

Mr ABBOTT—I do thank the member for Kingston for his question. The GP bulk-billing rate in his electorate has gone up by 15 percentage points since 2003. I do not know about my being a good Health minister, but that is a good result for the people of Kingston, thanks to the policies of the Howard government.

The Howard government does not just talk about Medicare. We take the practical steps needed to make a good system even better. For instance, last year through Medicare the government spent some $200 million on preventive health and treating chronic disease, with 650,000 GP team care plans; 250,000 team care plans; 500,000 allied health consultations; and some 250,000 senior health checks. There is more good news on mental health, thanks to the Howard government, in particular through the good work of the Assistant Minister for Health and Ageing, the member for Sturt.

In the first three months of its operation, under the government’s new mental health initiative there were some 93,000 patients benefiting from GP mental health plans. There were almost 80,000 psychologist consultations funded through Medicare. That is an additional $25 million to direct patient mental health services, thanks to the Howard
government. It is measures like this which mean that the Howard government is undeniably the best friend that Medicare has ever had.

I was asked about alternative policies. On page 10 of a speech rather pretentiously titled *The forgotten solution: primary care as the frontline of prevention*, the shadow minister for health said:

I haven’t come here today to unveil all of Labor’s proposals.

In fact, she unveiled none of Labor’s proposals. Labor’s only health policy is to have a single funder or not to have a single funder—to have a single funder, if you believe the Deputy Leader of the Opposition, and not to have a single funder, if you believe the shadow minister for health. And I suppose around all of this is the Leader of the Opposition, like some latter-day Hamlet, stroking his chin and saying, ‘To be or not to be; that is the question’—like he is in favour of the US alliance but not in Iraq; like he wants to cut greenhouse gases but not until 2050; and like he wants to be a Christian socialist but not a socialist.

In the absence of any serious health policy, we have to go back to the Leader of the Opposition’s record on health as the de facto Premier of Queensland. What did he do? He closed operating theatres in Brisbane, he cut 2,200 public hospital beds throughout the great state of Queensland and he allowed dental health waiting lists to blow out to three years. Members opposite do not like hearing about Dr Death, but the *Courier-Mail* of 2 September 1995, which says:

Mr Rudd—

that is, the Leader of the Opposition—acknowledged the nickname Dr Death, lovingly bestowed by some Queensland public servants.

He acknowledged the nickname himself. I am quoting from the *Courier-Mail*.

Mr Albanese—Mr Speaker, I rise on a point of order. Perhaps the lying rodent should call him into line.

The SPEAKER—The Manager of Opposition Business will withdraw that offensive remark.

Mr Albanese—No, I will not.

The SPEAKER—The Manager of Opposition Business is well aware that that expression is unparliamentary and he will withdraw it.

Mr Albanese—I will behave consistently, Mr Speaker.

The SPEAKER—The Manager of Opposition Business will withdraw that statement.

Mr Albanese—I withdraw, in accordance with your request. I would ask you to apply the same rules to the member opposite, the Minister for Health and Ageing.

The SPEAKER—The Manager of Opposition Business will withdraw without reservation.

Mr Albanese—I withdraw.

The SPEAKER—I thank the Manager of Opposition Business.
Mr Albanese—I have a point of order, Mr Speaker. Can we ensure that that ruling is applied to both sides?

The SPEAKER—I will endeavour to uphold the standing orders, as I always do.

Mr ABBOTT—To quote the Courier-Mail, the Leader of the Opposition:
... acknowledged the nickname Dr Death, lovingly bestowed by some Queensland public servants.

Mr Albanese—Mr Speaker, on a point of order—

The SPEAKER—The minister is in order.

Mr ABBOTT—I am quoting his own words from the Courier-Mail.

The SPEAKER—The Manager of Opposition Business, is this a further point of order?

Mr Albanese—Yes, Mr Speaker. I was quoting Senator Brandis. That is who I was quoting.

The SPEAKER—The member will resume his seat and he will not debate his point of order.

Mr Albanese interjecting—

The SPEAKER—The Manager of Opposition Business will resume his seat.

Mr Albanese—I ask that it be withdrawn.

The SPEAKER—The Manager of Opposition Business would be well aware that I read a statement into the House earlier this week on this very issue. The minister is in order.

Mr ABBOTT—My point is that the Leader of the Opposition revelled in this particular nickname. He is quoted in the article as saying:
You know, it could have been worse. I could have been called Morticia, Rasputin or Pol Pot.
These are nicknames that the Leader of the Opposition used to describe himself. I say this to the Australian people: whether it is Dr Death or Pol Pot, do not trust him with the health system.

Mr Albanese—Pull him up! Pull him up!

The SPEAKER—The member for Grayndler is warned!

Nuclear Energy

Mr RUDD (2.49 pm)—My question is to the Minister for Industry, Tourism and Resources. I refer to Ziggy Switkowski’s confirmation that the development of an Australian nuclear power industry would require the Commonwealth to control, regulate and site nuclear reactors. Will the government rule out taking away planning controls from the states to build such reactors?

Mr IAN MACFARLANE—The government is yet to respond to that report, and I look forward to the government’s response to that report.

People Smuggling

Dr JENSEN (2.50 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on regional cooperation efforts to stop people smuggling? Are there any alternative policies?

Mr DOWNER—Firstly, I thank the honourable member for Tangney for his question. Whether people are supporters or opponents of the government, they would have to concede that the government has sent a very clear message to people smugglers that we do not tolerate people smuggling. Despite the fact that there are some people who have been smuggled, we believe, to Australia recently—and that is being dealt with separately—in an overall sense, the government’s policies, which have been tough policies, have had a substantial impact on people-smuggling operations into Australia.

It is worth the House remembering that in 1999 to 2001, about 12,000 people arrived
illegally in Australia by boat. By contrast, in 2005-06, 56 people arrived. This has been possible for a number of reasons. But one of those reasons is the good cooperation we have had from neighbouring countries—obviously from Pacific countries, including Nauru, but also from Indonesia. It reflects the strength of Australia’s relationship with Indonesia that we have been as successful as we have been—although we have not been totally successful; nevertheless, a substantial degree of success has been achieved. There are a number of other factors contributing to this success, and one of them has been the decision by the government to excise some of the islands around the north of Australia from the immigration zone.

The honourable member asks if there are any alternatives. I noticed in the Australian newspaper today that the Leader of the Opposition had apparently called together leading figures in the Labor Party in the context of the 80 or so Sri Lankans and said: ‘Let’s close down on this issue. Let’s not talk about it.’ So the member for Watson has been closed down. They do not want to talk about it because they think the public may get wise to the fact that Labor are weak on people smugglers—and that, of course, is what the Labor Party are worried about.

We all know that the Leader of the Opposition has a policy for every occasion, a policy for every position. The Leader of the Opposition wants to give the impression that, on the one hand, he is tough on border protection. But what is his other point? His other point is that the government is too tough on border protection. That is his point: ‘I’m tough on border protection but the government are tough on border protection and that’s why I’m against them.’ The Leader of the Opposition says that existing Labor policy will remain. Existing Labor policy is to set up a coastguard that sails around the coast of Northern Australia and, if it comes across a boat, to guide that boat into Australia.

Dr Nelson interjecting—

Mr Downer—It is not a coastguard, is it, Mr Speaker? It is a ‘coast guide’ and no doubt, as the Minister for Defence said, a unionised coast guide. The Labor Party wants to repeal the government’s legislation on excision. The Labor Party wants to repeal that policy. Indeed, it will be recalled that, the last time excision legislation was put to the parliament, the Labor Party voted against it.

The opposition leader had a doorstop—the opposition leader loves being in the media; he really likes being the opposition leader because he can be in the media every day—on 23 February and said, ‘Labor’s policy is that if people are interdicted on the high seas then those vessels should be turned around.’ I heard that. Wow! They should be turned around. What is interesting—talking about turning around—is that he did a full 180-degree turnaround himself in the next sentence. He said, ‘If people are on the high seas,’ but then indicated that, if they are going to seek asylum in Australia, they should be taken to Christmas Island for processing. So they are turned around and brought to Christmas Island for processing. Turn them around twice, I suppose, and then they go to Christmas Island for processing. This is the point: the Labor Party is trying to be all things to all people. The Leader of the Opposition has never taken a strong stance in support of any single issue and stuck with it. He just hunts around for the populist position and, of course, the appeasing position for the various factions within the Labor Party.

It is a simple point: you can talk about politics on these issues but, at the end of the day, the serious policy issue is to make sure that we deal with people smuggling. If you do not deal with people smuggling then peo-
ple will undertake dangerous journeys; they will take risks. People smugglers will drive people into this situation and make money out of it. And, talking about making money, billions of dollars a year are made out of people smuggling. It is in this country’s interest to make sure that we crack down on people smuggling, that we deal with it and that we do it in the most humane way we can but do it in a tough way. The Leader of the Opposition—let’s face it—is weak on border security issues and is frightened that he might be exposed. Well, he is exposed.

Nuclear Energy

Mr PRICE (2.56 pm)—My question without notice is to the Prime Minister. I refer to the Prime Minister’s comments in the House yesterday describing those expressing concerns about the siting of nuclear reactors as ‘juvenile and idiotic’. Prime Minister, which of the following members—the members for Flinders, Menzies, Gilmore, Curtin, McMillan and Leichhardt—are (a) juvenile (b) idiots or (c) all of the above?

Mr HOWARD—I think my reference was to the nature of the campaign being run by the Labor Party on this issue. But let me take the opportunity afforded to me by the Chief Opposition Whip of reminding the House of what is involved here. If this country decides to go down the nuclear path, it will be some years before—

Ms Gillard—Backing away.

Mr HOWARD—It will be some years and, in those circumstances, as I said yesterday, there is no point in the government indicating where power stations might be located. I do not intend, as I indicated yesterday, to engage in an exercise of saying, ‘Nuclear power stations won’t be here or won’t be there.’ I repeat what I said yesterday: I do not intend to engage in the game of ruling out the location of nuclear power stations in any particular part of this country, because that will prejudice a sensible debate about this issue. If there is one thing we need, it is a sensible, measured debate. We need to have all of the options properly considered.

Last night on Lateline, Dr Switkowski—appearing in the absence of a positive response to an invitation issued to the member for Kingsford Smith by the Lateline program—made a very important point. It is a point validated by the views of the Chief Scientist, Dr Jim Peacock. Dr Switkowski said that there are really only two workable sources of energy for power stations for baseload power in this country: one of them is fossil fuels; the other is nuclear power. That is a fact. It is scientific knowledge; it is unarguable scientific knowledge.

I am encouraged in the belief that we should have an open debate about this issue and am encouraged to renew my invitation to the Labor Party to have an open debate about this issue by a document that was released today entitled New directions for our schools. It is about establishing a national curriculum to improve our educational outcomes, and it is the document that the Leader of the Opposition and the member for Perth released today. It is a very interesting document, not least for what it has to say on page 17. I invite the House to listen to this. The document says: ‘Young people need a framework of scientific knowledge’—yes, that is right—‘so they can recognise some of the science underlying important contemporary arguments about such matters as nuclear power and global warming.’ In other words, it is all right for the young of this country to be invited to go down the path of scientific inquiry and to open their minds to arguments about nuclear power and climate change, but, when it comes to the political purposes of the Australian Labor Party, nothing gets in the way of a grubby scare campaign.
Let me just say to those who sit opposite that I have stated a view on behalf of the government in relation to this. We believe that nuclear power should be part of the debate. We have established a public inquiry. We will be giving a detailed response to the Switkowski report. But I have already indicated that this government believes that, as the cost of powering power stations in this country rises through the introduction of clean coal technology, nuclear power will become more economic. We would be recalcitrant and doing great damage to our future if we did not consider, in a rational way, nuclear power. Where power stations will be located if we decide to go down that path will depend upon a combination of economic, environmental and regulatory decisions made by both Commonwealth and state governments. I have no intention of responding to the Labor Party’s campaign by saying, ‘We’re not going to have a power station there or there.’ The essence of a rational debate on this issue is not to engage in that sort of exercise.

As Dr Switkowski said in his report, the economics suggest that it will be in the order of 10 to 15 years before nuclear power will be an option. But, unlike the Labor Party, we are not going to turn our back on an option that could provide for future generations a clean source of power generation and a way forward in relation to the replacement of what might loosely be called ‘dirty power’ in the operation of our power stations. This is an important debate and I would only wish that the inquiry and open-mindedness that the Australian Labor Party’s policy wants our children to have would be assumed by the members of the front bench.

Renewable Energy

Mrs VALE (3.03 pm)—My question is addressed to the Minister for the Environment and Water Resources. Would the minister outline to the House examples of environmentally sustainable forms of power generation capable of providing baseload power needs to 2050 and beyond? Is the minister aware of any alternative views? What is the government’s response?

Mr TURNBULL—I thank the honourable member. The Lucas Heights reactor is located in her electorate and it makes an important contribution to employment and to the economy there. For the reasons that the Prime Minister has outlined, including the letter from the Chief Scientist, it is quite clear that the only alternative to fossil fuel power for providing the baseload power that a modern economy needs is nuclear power. That is the only alternative, and it is the only alternative which has zero CO₂ emissions. Nuclear power is a proven technology. There are 443 nuclear reactors in 31 countries and nuclear power today contributes 15 per cent of global electricity generation. There can be no sensible, objective consideration of our energy options without having nuclear power on the table, without it being an option.

Every single report, from the Stern review to the recent report by the International Energy Agency, stresses that in meeting the greenhouse challenge all the options have to be on the table—every technological option, including renewables, biomass, hydro, clean coal and nuclear. If you take one of those options off the table for ideological reasons then you constrain your ability to meet the climate change challenge. Australia has 38 per cent of the world’s known low-cost uranium reserves. Between us and Canada, we produce more than 50 per cent of the world’s natural uranium supply. Nuclear power will continue to be a growing part of the world’s energy solution, and it will increase because of its zero-emissions nature.

What is the alternative? We have an ideological position from the Labor Party which
says that you cannot have nuclear power in Australia. They say that they will not accept it for environmental reasons. But they go off on their holidays and on their trips to Europe and go round France and are not shaking with horror or trembling with terror at the fact that France generates nearly 80 per cent of its stationary energy from nuclear power. Do they imagine that the French—or the Belgians, who produce 55 per cent of their energy from nuclear power—care less for the environment than they do? The absurdity of the Labor Party’s position is that it is based on nothing more than ideology.

There are serious divisions in the Labor Party. The member for Kingsford Smith does not simply want to stop the expansion of Australia’s coal industry; he is opposed to uranium mining, as he said last year on Triple J:

I am not supporting any uranium mining of any kind, actually. I am not in favour of us expanding the nuclear industry in Australia, uranium mining or nuclear power generation or radioactive waste storage. I can’t be any clearer than that.

Only a few weeks ago he said in the Adelaide Advertiser:

There are serious questions about the ever-onward expansion of uranium mining in Australia.

We have seen the member for Kingsford Smith do his backflip over US bases. It is not so long ago that he wanted to evict the US bases from Australia.

Mr Tanner—You wanted a republic!

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

Mr TURNBULL—How long will it be before he performs another backflip? The people of Australia know that the member for Kingsford Smith, all his life, has been committed to a number of values that he holds very dear—and one of them is to stop uranium mining in Australia.

Mr Danby—What about your views on a republic!

The SPEAKER—Order! The member for Melbourne Ports is interjecting from out of his seat.

Mr TURNBULL—He is opposed to uranium mining. He wants to deny the world the cleanest source of baseload power available to it today. He is not prepared to be part of the solution; he simply wants to exacerbate the problem of global warming. He does not care how poor we are, as long as we are, by his lights, pure. Ideology is a poor guide to energy policy and it will not meet the greenhouse challenge.

Workplace Relations

Ms GILLARD (3.08 pm)—My question is to the Minister for Employment and Workplace Relations. Will the minister confirm that the ABS has today released statistics that show that women on AWAs who work full time earn $2.30 less per hour than those on collective agreements, women on AWAs who work part time earn $3.70 less per hour and women on AWAs who work as casuals earn $4.70 less per hour?

Mr Secker—I wouldn’t believe that one!

Ms GILLARD—This is ABS data. Which statistics is the minister relying on when he asserts that AWAs are good for women?

Mr HOCKEY—The earnings of employees on AWAs increased to $26.40 per hour and $949 per week in May 2006. These figures are based on only one month of Work Choices. In total weekly earning terms, non-managerial employees on AWAs earn nine per cent more than employees on registered collective agreements and 94 per cent more than employees on awards. I want to say this about the interesting change over the last 12 months: of the 241,000 jobs created since
Work Choices was introduced, more than 109,000 have gone to women.

*Ms Roxon interjecting—*

**The SPEAKER**—Order! The member for Gellibrand!

*Ms Gillard—What’s their pay rates?*

**The SPEAKER**—Order! The Deputy Leader of the Opposition has asked her question.

**Mr HOCKEY**—I make the further point that, over the last few months, as we have seen long-term unemployment reach the lowest level in two decades, we have seen more women come into the workplace—

*Ms Gillard—Where are the statistics?*

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

**Mr HOCKEY**—than at any other time. At the same time those people, who are in many cases women coming into the workforce, have been on the single-parent pension. We have made more than one million phone calls to people on the single-parent pension. There have been 100,000 people—essentially women—on parental pension referred to the Job Network. Those people have been out of the workforce for very long periods of time. They have taken up jobs in the retail and hospitality industries. Our view on this side of the House—

*Ms Roxon interjecting—*

**The SPEAKER**—Order! The member for Gellibrand is warned!

**Mr HOCKEY**—is that it is always better to get a job than to remain on welfare.

**Work for the Dole**

**Mr VASTA** (3.11 pm)—My question is addressed to the Minister for Workforce Participation. Would the minister inform the House of the benefits of Work for the Dole in helping Australia’s unemployed to develop new skills and move into work?

**Dr STONE**—I thank the member for Bonner for his question and congratulate him on an unemployment rate of 4.3 per cent amongst his constituents. Of course, the Labor legacy was unemployment at 6.7 per cent in the same region. Work for the Dole has been extraordinarily successful. While the Howard government has many employment and training programs that are superb, Work for the Dole is extraordinary. This is the 10th anniversary of this program. Work for the Dole recognises and overcomes the fact that the long-term unemployed can become dispirited and deskilled. They need real-life and current work experience and an opportunity to regain self-respect by giving back to the community whose taxpayers have been supporting them and their families.

There have been almost 31,000 projects over the 10 years, right across Australia, delivering great results to the community and to those individuals. Nearly half a million long-term unemployed Australians have taken part. Nearly 40 per cent of those job seekers completing their Work for the Dole projects have been moved into work, education or training just three months after their participation—and most went into work. Work for the Dole projects deliver work experience in areas of skills shortages in local areas. Training credits are earned as the individual works through their six months. The training then undertaken echoes the skills in demand in that region.

Because we paid down the Labor debt that we inherited in 1996 and have expertly managed the economy over the last 10 years, our government has been in a position to respond to the worst drought on record. Over $2 billion has gone directly to support drought affected farmers and small businesses. This government recognises that another victim of drought is the rural workforce, so Work for the Dole has been extended into Drought Force, a program that allows individuals
driven out of their jobs by drought to work back on a farm, a drought stricken property. At the same time the worker receives Newstart allowance and a $1,600 training credit. This is a profoundly important program for the future of our rural populations.

It is extraordinary that Work for the Dole is missing from the vocabulary and the future plans of the Labor Party, including the opposition leader and those who sit opposite. Labor’s policy in relation to government provided employment services is barren. No doubt they hope the public will forget their legacy. They left unemployment and despair in 1996; we have brought back hope and employment to millions.

Workplace Relations

Ms GILLARD (3.15 pm)—My question is again to the Minister for Employment and Workplace Relations. I refer to the minister’s last answer, and I refer again to the ABS data which prove women on AWAs earn less per hour than women on collective agreements. Minister, given these statistics and given the minister’s refusal to direct the Office of the Employment Advocate to release AWA statistics, on what factual basis is it possible for the minister to claim AWAs are good for women? It is just empty rhetoric, isn’t it?

Mr HOCKEY—When it comes to women re-entering the workforce, the government has a very proud history. Real wages have increased for women by 22.6 per cent under the coalition, compared with 8.8 per cent under the Labor Party.

Ms Vamvakinou interjecting—

The SPEAKER—Order! The level of interjections is far too high.

Mr HOCKEY—And the World Economic Forum’s assessment, where they assess the wages gap has narrowed, is proof that under the coalition women have a fairer go in the workplace.

Ms Vamvakinou interjecting—

The SPEAKER—The member for Calwell is warned!

Mr HOCKEY—Women have better wages and they have better opportunities than certainly anything under the Labor Party.

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

QUESTIONS TO THE SPEAKER
Parliamentary Language

Mr BEVIS (3.17 pm)—Mr Speaker, I have a question to you. It relates to where offensive or unparliamentary words are used in the House. I seek your guidance in what circumstances it will be necessary for the person who was the target of those words to seek their withdrawal, as was the case during the last sitting week when the Manager of Opposition Business sought to have words withdrawn that were targeted at the Leader of the Opposition. The ruling at that time was that, unless the Leader of the Opposition personally sought to have the words removed
as offensive, they would stand, but, on the other hand, that is compared with situations where you as Speaker intervene before any member in the House sought the withdrawal of the words, as occurred today when words were targeted at the Prime Minister.

**The Speaker**—I thank the member for Brisbane, and I say to him the following: it is not the role of the Speaker to give guidance. I refer him to the statement that I made at the beginning of the week, and in particular I refer him to the *House of Representatives Practice*, page 499, where it says quite clearly it is the words used and the context in which they are used.

**Parliamentary Language**

**Mr Bevis** (3.19 pm)—Mr Speaker, I appreciate the reference to *House Practice*; unfortunately I do not believe the statement you made on Monday touched on this issue. And of course—

**The Speaker**—The member will not reflect on the chair.

**Mr Bevis**—Mr Speaker, you referred me to a statement in answer to my question. Regrettably, the statement does not relate to the matters raised in my question. That is not reflecting on the chair; I think it is a fair observation. I therefore again ask: in what circumstances are members to be given some guidance—because the chair does in fact give guidance on these matters, as indeed your statement on Monday was intended to do—and in which circumstances are we to take it that the member who is the target is required to ask for matters to be withdrawn, as opposed to circumstances in which you will intervene as you did today?

**The Speaker**—I again thank the member for Brisbane. It is not the role of the chair to give hypothetical rulings, but I will read to him part of what I said in the House on Monday:

The determination as to whether words used in the House are offensive or disorderly rests with the chair, and the chair’s judgment depends on the nature of the word and the context in which it is used.

**Parliamentary Language**

**Mr Albanese** (3.20 pm)—Further to that issue, I have a question to you and I refer to page 499 of *House of Representatives Practice*. It states quite clearly:

A Member is not allowed to use unparliamentary words by the device of putting them in somebody else’s mouth or in the course of a quotation.

I believe that is what the Leader of the House has attempted to do, and I seek leave to table the article from the *Courier-Mail* of 1 September 2004 in which Senator Brandis is alleged to have called the Prime Minister ‘a lying rodent’ and an article from ABC Online of 31 August 2004 which is titled ‘‘Lying rodent’ claim exposes children overboard rift’. Mr Speaker—

**The Speaker**—Order! The member will not debate his point. If he is raising a question he will come straight to his question.

**Mr Albanese**—Yes, Mr Speaker. I will refer to some standing orders, if that is okay.

**The Speaker**—No, the member is not going to debate this. He will come straight to his question.

**Mr Albanese**—Yes, Mr Speaker. I will refer to some standing orders, if that is okay.

**The Speaker**—No, the member is not going to debate this. He will come straight to his question.

**Mr Albanese**—Well, can I refer to standing orders in doing so? That is something the Leader of the House has never done, ever—not once.

**The Speaker**—The member will either come to his question or resume his seat.

**Mr Albanese**—Mr Speaker, standing order 89 and standing order 90 are very clear, and today you actually asked the Minister for Employment and Workplace Relations to refer to the member for Rankin by—
The SPEAKER—The member will either come to his question or resume his seat.

Mr ALBANESE—his name. You then allowed the Leader of the House to make comments. You then asked me to withdraw, which I did consistently.

The SPEAKER—We are not going to debate past decisions.

Mr ALBANESE—Mr Speaker—

The SPEAKER—The member for Grayndler will resume his seat and I will respond to him. On Monday, I made a statement where I referred specifically to all of the issues that the member for Grayndler just raised. I refer him back to that statement because I think it covers everything that he has just raised.

Parliamentary Language

Mr TANNER (3.22 pm)—Mr Speaker, I also have a question with respect to your implementation of standing order 89 and your statement which refers to your decision as to whether or not a particular expression is unparliamentary. I have no quarrel with your statement. The question I have, Mr Speaker, is whether there is one mechanism or approach for dealing with unparliamentary language or two? Do we have a situation where particular expressions require immediate withdrawal without any member being required to raise the question because I think it covers everything that he has just raised.

Parliamentary Language

Mr TANNER (3.24 pm)—Mr Speaker, I also have a question with respect to your implementation of standing order 89 and your statement which refers to your decision as to whether or not a particular expression is unparliamentary. I have no quarrel with your statement. The question I have, Mr Speaker, is whether there is one mechanism or approach for dealing with unparliamentary language or two? Do we have a situation where particular expressions require immediate withdrawal without any member being required to raise the matter and where other expressions are slightly offensive, but not that offensive, and therefore are only expected to be withdrawn if the target of the expression raises the question?

The SPEAKER—Order! I think the member is trying to reflect on the chair.

Mr TANNER—I am not, Mr Speaker. I am asking you a genuine question: is the process of enforcing standing order 89 a uniform process or are there two separate categories of offensive language, which are dealt with differently? That is my question.

The SPEAKER—I thank the member for Melbourne. I refer him again to House of Representatives Practice, where it is quite clear that, for occupiers of the chair, the decision obviously rests on the issues, as I have already stated today and as I stated on Monday. I said quite clearly:

The determination as to whether words used in the House are offensive or disorderly rests with the chair, and the chair’s judgment depends on the nature of the word and the context in which it is used.

Parliamentary Language

Mr TANNER (3.24 pm)—Can I just clarify that—

The SPEAKER—The matter is closed.

Mr TANNER—I am not in any way disputing your judgement as to whether or not something is offensive. My question is what you actually do about it.

The SPEAKER—The member for Melbourne will resume his seat. We have canvassed this issue widely already.

PERSONAL EXPLANATIONS

Mr WILKIE (Swan) (3.24 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr WILKIE—Absolutely, Mr Speaker.

The SPEAKER—Please proceed.

Mr WILKIE—On Monday during question time, the Treasurer, whilst answering a question from the member for Macquarie, said in response to an interjection from me: The member for Swan interjects—one of the voices of Brian Burke in this parliament. I understand that this statement was broadcast in the electronic media in Perth that evening and appeared in yesterday’s editions of the Australian and West Australian newspapers. I have never had a conversation with
Brian Burke, either in person or via the telephone, let alone acted as his voice in this parliament. The Treasurer’s statement is completely false.

Mr BOWEN (Prospect) (3.25 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr BOWEN—By Senator Heffernan, Mr Speaker.

The SPEAKER—Please proceed.

Mr BOWEN—Yesterday in the other place, Senator Heffernan said that I had given on behalf of the Labor Party to restore tax deductibility on non-forestry managed investment schemes. While I have been very critical of government processes, I have not made any statements vaguely approaching what Senator Heffernan suggested.

MATTERS OF PUBLIC IMPORTANCE

Education

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

The Government’s failure over ten long years to act and deliver the long-term investment in education required for Australia’s future economic prosperity.

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

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

Mr STEPHEN SMITH (Perth) (3.26 pm)—The subject of the MPI today is:

The Government’s failure over ten long years to act and deliver the long-term investment in education required for Australia’s future economic prosperity.

What this country needs is a government that is absolutely committed to long-term investment in Australia’s education at every level, whether that is pre-primary or early education; primary, secondary or tertiary education; vocational education and training; universities; or on-the-job ongoing professional development and training. What we need is a long-term commitment to these things and not what we can expect from this government in the next six months: a short-term political fix. A short-term political fix is what we always see from the government when it comes to education in the run-up to an election. The Prime Minister and the government, the Liberal Party and the National Party, are threatening our future because they are squandering the proceeds of economic growth and of the resources boom to China by refusing to properly invest—that is, with both quantity and quality—in our education system at every level.

We are the beneficiaries of 16 years of continuous economic growth and, in more recent years, a minerals and petroleum resources boom to China. The government has complacently and neglectfully failed to make investments at every level of our education system to ensure that our future prosperity is guaranteed. What do all of the statistics show? All of the statistics show that our productivity is now falling behind in international comparative terms. The growth in our productivity is now falling away. The single most important thing we can do to guarantee our future prosperity and to guarantee our ongoing international competitiveness is to invest in the education, training and skills of our people and our workforce. That is why Labor says it is time for an education revolution. That is why Labor says it is time for an investment in human capital. That is why Labor says it is time to stop the blame game. It is time to stop saying, ‘This has nothing to do with the national government.’ It is time
to start making the investments required to guarantee our ongoing and future prosperity. That is the shameful and neglectful approach that this government has taken. If Australia is to have a future as a modern, dynamic economy—

Ms King interjecting—

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Ballarat has already been warned and is in dangerous territory.

Mr STEPHEN SMITH—investment in human capital is absolutely essential. In the course of question time and the sotto voce interjections from across the table by the Minister for Education, Science and Training, one thing is clear: they just don’t get it. They just do not get the fact that, in education, skills and training, as in so many other areas, we are now in an international competition. We are now in an international competition where how we perform is not judged on the old basis of how a state might perform against a state or a territory might perform against a territory; it is judged on how we as a nation-state perform against other nation-states in our region and in the world.

Across the board in our region we now find that the emerging economies of India and China, and the other smaller Asia-Pacific economies, are making far greater investments in education, skills and training than we are. That is why we now find our productivity falling behind. That is why we now find the OECD, in report after report, saying that when it comes to the international comparators we are falling behind—and that occurs at our risk and at our peril. That occurs at the long-term risk to our economic prosperity. That occurs at the long-term risk of our nation’s future.

That is why Labor made the point, at the beginning of this year, that education is not just a social policy issue. However important this point is, education is not just about individual Australians having the opportunity to maximise their potential and having the chance to get ahead. Education is not just about that; it is also about the economic approach to ensuring our nation’s ongoing prosperity. This is not just a social issue; it is an economic issue. This is not just a comparison between a state and a state, or a state and a territory; it is now a comparison between us, as a nation-state, and our international competitors.

Let us just have a look at some of the areas where we are falling behind when it comes to our productivity. Average annual multifactor productivity growth has more than halved, from 1.6 per cent last decade to just 0.7 per cent this decade, while labour productivity growth fell to 2.2 per cent in the five years to 2003-04 from an average annual 3.2 per cent in the previous five-year period.Benchmarked against the United States economy, Australia’s labour productivity fell back from a peak of 85 per cent to just 79 per cent between 1998 and 2005—almost completely losing the relative productivity gains of the 1990s.

Australia’s overall investment in education is 5.8 per cent of GDP. That is behind 17 OECD economies including Poland, Hungary and New Zealand. According to OECD calculations, in terms of GDP we spend on preschool education one-fifth of the average for OECD countries. OECD figures contained in the Education at a glance 2006 report show that our investment in tertiary education has gone backwards by seven per cent while other OECD countries have, on average, increased their funding by 48 per cent. That very same report concluded that a one-year increase in the average level of education of the workforce would boost economic growth by one per cent. All these things show the complacency and neglect of
the Howard government, and that is why we are falling behind.

At the beginning of this year, when the Leader of the Opposition released the education revolution document, it made that point: education is about productivity and future economic prosperity. Since that time we have released three positive policy approaches which all go to this area. The first one was on early childhood learning; the second one was on encouraging young Australians to study and teach maths; and the third one, today, is our commitment and our plan for a national curriculum, particularly in the core discipline areas so important to our future economic prosperity: maths and the sciences, and English and history.

Let us look, very briefly, at the early childhood proposal. As I indicated when I referred to those OECD figures, we get the wooden spoon when it comes to investment in early childhood education. Why is this so worrying and why is it so important to make that early intervention? All of the economic research, all of the education research and all common sense tells you that the earlier you make an investment or an intervention in education the more chance you have of an ultimate positive, quality educational outcome. That is why you cannot just say, ‘Let’s get the kids when they’re going to university.’ You also have to say, ‘Let’s get the kids when they’re going to primary school and to pre-primary school.’ You have to make those early investments. Otherwise, for some individuals the prospect that they have for their ultimate educational outcome is not university, a TAFE or completion of secondary school; it is getting out of school before completion of secondary school and then running the risk in later years of ending up with no job, or a low-skilled or no-skilled job.

Labor’s positive plan in early education says that we will give all Australian four-year-olds the right to early childhood education. We will make that right to early learning a reality by enshrining it in a new Commonwealth early childhood education act. We will implement those reforms over a five-year period following the passage of that legislation, and our investment will be $450 million, giving all four-year-olds an entitlement to 15 hours of preschool or early learning per week for a minimum of 40 weeks per year, delivered by a quality teacher. To assist in that program we will fully fund 1,500 new university places in early childhood education at a cost of $34 million per year when fully implemented. We will also provide 50 per cent HECS remission for 10,000 early childhood graduates working in areas of need at a cost of $12 million a year. These new commitments show our absolute commitment to early education intervention and early childhood.

When the Prime Minister was asked about early childhood education during question time today, he was asked a question which reminded him that in 2003 a prime ministerial cabinet submission on work and the family recommended models for future directions of child care and early childhood education sectors. What have we seen from the government since then? Nothing! And that first example goes to the heart of the MPI: the government’s failure, over 10 long years, firstly to act and secondly to make the investments required.

A second area where we have put out a positive proposal is to encourage young Australians to study and teach maths and science. We released this because, when you look at how we lag behind in this very important area, the statistics are, frankly, alarming and appalling. A recent World Economic Forum annual report on global competitiveness ranked our maths and science education
29th in the world. Australia graduates less than half the OECD average number of students with a maths or statistics qualification. The national report on schooling found that between the year 2000 and 2005 there were 40,000 fewer year 12 students studying science and 17,000 fewer year 12 students studying maths subjects. Around a quarter of our science teachers do not have a science qualification and 25 per cent of maths teachers do not have a major in maths.

I put the question to the Prime Minister today: after years and years of talk and no action, what has the government done and what is the government proposing to do about the appalling state of science and maths teachers? He referred the question to the minister at the table. The minister said that our positive proposal was just a bandaid solution. This response was actually better than the remark she made on the first occasion we had an MPI on education in this place this year, on 8 February. When I went through those same stats—25 per cent of science teachers do not have a science qualification, 25 per cent of maths teachers do not have a major in maths and one in 12 maths teachers studied no maths at all—Minister Bishop said, ‘It has nothing to do with us.’

Ms Julie Bishop interjecting—

The DEPUTY SPEAKER—Order! The minister will have the right of reply.

Mr STEPHEN SMITH—Nothing could better sum up the attitude of this government than when they say, ‘If there is a problem in education, it is nothing to do with us.’ The government are saying: ‘It is someone else’s fault. We just happen to have been the government of the Commonwealth of Australia for over a decade. All of these appalling statistics have nothing to do with us.’

What was Labor’s positive policy proposal? Labor’s positive policy proposal was to say to young Australians: ‘We encourage you to study maths and to teach maths. We will give you a reduction in your up-front HECS contribution when you are a student, and when you emerge as a graduate in maths and science if you teach maths or science then we will give you a 50 per cent remission.’ The minister at the table said this was a bandaid. Unlike the minister at the table—who normally so warmly embraces the remarks, policies and views of her predecessor, Dr Nelson—this is not what Minister Nelson then had to say about a similar approach that the government made in 2003-04 to encourage people to teach. When the government jacked up the HECS contribution by 25 per cent, it kept nursing and teaching, teaching in particular, at the bottom rung. That is where Labor proposed to put maths and science. What did Minister Nelson say on 26 August 2004? He said:

... part of the Higher Education reform package is a measure which quarantines teaching from any HECS increases, but allowing HECS to be lowered. The deliberate aim of this measure is to make teaching more attractive relative to other courses.

On 13 November 2003 he said:

Our goal as a society should be that the best and brightest school-leavers seek a career in teaching. Initiatives from the first agenda item, as well as the quarantining of teaching courses from rises in HECS fees will assist this.

So that was not the view of the previous minister, and it is not our view. We want to encourage young Australians to both study and teach maths. The state of those statistics that I have referred to the House is appalling.

The third measure we came up with was announced today: a national plan through a national curriculum board to ensure that in our core disciplines of maths, science, English and history we actually—after 20 years of talk generally and 10 years of talk by this government, whether it was Minister Kemp, Minister Nelson or this minister echoing
Minister Nelson—make real progress. You can only make that real progress by being collaborative with the states and the territories and independent and religious education authorities. That will not be done by engaging in the blame game or by saying it is all someone else’s fault but rather by having an absolute commitment to act and to invest in ways which will ensure that the educational outcomes for our primary and secondary school students, for our TAFE students and for our university students are higher. Unless we raise all those things to better states on international comparators, our future prosperity is at risk. That is due to the appalling neglect of this government. After 16 years of continuous economic growth, and now with the benefit of a resources boom to China, it just does not get it. The single most important thing we can now do is to invest in the education, skills and training of our people and our workforce.

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (3.41 pm)—The performance of the member for Perth underscores why Labor can never be trusted to be in government: because they have a track record of failure. They have a track record of failed economic management and they have a track record of failed education policies. Today’s so-called policy announcement by the member for Perth is just further evidence that Labor do not have an original thought at present, particularly with respect to the important area of education. They do not have an original thought.

The announcement of the development of a national curriculum is Howard government policy copied directly. What is now patently obvious is that Labor’s education statements are just a mishmash of recycled failed Labor policies.

Let us remember the great hoopla that surrounded the last attempt they made at dealing with education. Do we remember ‘noodle nation’? That was Labor’s great attempt at an education policy. I recall how embarrassed they all were when it unravelled. The member for Grayndler had to confess, ‘Well, I know some of you were disappointed with the Knowledge Nation package.’ Disappointed would have to be an understatement. The member for Melbourne said, ‘Well, it was an example of what not to do next time.’ Alan Ramsey, from the Sydney Morning Herald, put it quite succinctly. He said:
In one mad moment, with his incomprehensible bird’s nest sketch of 23 circles and 40 train lines—remember that, Member for Melbourne?—Barry Jones made Kim Beazley’s Knowledge Nation an instant national joke ...

Now I think that was unfair to Barry Jones and to the member for Brand. They took the rap for it. In fact we now know that the authors of noodle nation, the disgraced, discredited Labor policy—and I am reading from the front page of the noodle nation document—were none other than the current Leader of the Opposition, the member for Griffith, and the member for Perth.

We know that they have even stolen their current slogan from the disgraced, discredited former leader. There is no love lost, I understand, between the member for Griffith and the former member for Werriwa. Nevertheless, that did not stop them, in one of the most apparent pieces of plagiarism I have seen for a while, from adopting Mark Latham’s slogan from his book What did you learn today? Creating an education revolu-
They do not even have an original idea when it comes to a slogan. Relying on Mark Latham for educational inspiration is a rather interesting occurrence within the current Labor Party. This is the man Labor offered up as the alternative Prime Minister but who is most famous for his schools hit list. Remember the next Labor policy that failed in ignominy—the schools hit list, where he wanted to rip funding out of schools. What was the schools’ only crime? They happened to be non-government schools. These schools were targeted by Labor because they were non-government schools, and the ugly politics of envy still reside within the Labor Party. Don’t worry; they still have a schools hit list; they are just not hitting them directly. They are going to strangle the schools and freeze their funding so that, over time, the schools will lose money from their budgets. So Labor has a schools hit list, and they have noodle nation. So what do they now come up with? They come up with Mark Latham’s education revolution. All this has revealed that their policy development continues to be sloppy. Labor do not do their homework on policy development.

The announcement in relation to maths and science reveals how lazy they are in their approach to policy development. There is no research to support their claims. In fact, all the evidence is to the contrary. They come up with a policy to fiddle with the integrity of the HECS system—a system that federal Labor introduced in 1989—and that policy has the potential to seriously undermine it. Don’t just take it from me; the architect of the HECS system, Professor Bruce Chapman, a man employed by the Labor Party to design HECS, said, in relation to the member for Perth’s new policy, that cutting HECS was very unlikely to have any effect at all and that it is a bad idea in general to be cutting or changing HECS. This is the architect of the HECS system. Not only is Bruce Chapman against this policy; Australian and international research has shown repeatedly that reducing HECS does not impact on student choice. That is not how you get students to study maths and science at university. The evidence shows that some universities cut HECS in maths and science to zero but there was no increase in student demand. This is all recorded; it is all on the public record. This is all evidence that the member for Perth could have accessed, if he were not so lazy when it came to policy development and if he had bothered to do his homework. Students are influenced by likely career prospects and what they perceive to be the status of jobs and careers. But, in the unkindest cut of all, the Queensland education union wrote off Labor’s policy by saying that reducing HECS would not work. So they even have the Queensland education union against them. This policy of Labor’s will not work, and it is designed to undermine HECS.

As I said, Labor introduced HECS. It is regarded internationally as one of the fairest student contribution schemes in the world. We should not be undermining it; we should be supporting it. Students pay no up-front fees. They contribute 25 per cent, and the taxpayer picks up the balance of 75 per cent. Students repay their interest-free contribution through the tax system only when their income exceeds $38,000. HECS is not like a bank debt with set repayments and so on. Payments commence only when students have the money to afford it. It is income contingent—when students are reaping the benefits, the rewards of their studies. So the ALP policy in trying to cut HECS has missed the point entirely.

The Howard government is focusing on increasing student participation in science and maths in primary schools and secondary schools. Arguably one of our greatest living scientists, the astronaut Andy Thomas, said recently that we need to engage children at a
young age to spark their curiosity and interest in science, and that is where we must focus our efforts. And that is where the Australian government, the Howard government, is focusing its efforts.

What is more, the Labor policy says nothing about the state of teaching of maths and sciences in our schools. Why is that? It is because our schools are run by state Labor governments. A recent report commissioned by the Australian government revealed a disturbing picture of 27 different mathematics courses across Australia in year 12. The only thing these 27 different maths courses, created by the eight state and territory education authorities, had in common was that every single course lacked the critical elements our students needed to study maths at a higher level.

To highlight the fact that the Howard government is right in focusing on teaching maths and science in schools, in contrast to Labor’s policy, there is this example: the Queensland education minister recently decided to set up selective schools in that state which will have a much stronger focus on maths and science—and I say good on him; that is a positive effort by the Queensland education minister to do something in schooling. But the first thing he did was to exempt those schools from the official state government curriculum in maths and science. If that is not a statement that the curriculum, as it is being developed by the states, is not up to par, I do not know what is. What he is saying is that these students will study the international baccalaureate—do not let the bright students in Queensland be subjected to the Queensland curriculum, by any means, in maths and science. This reinforces my call for greater national consistency and higher standards in curriculum, which should be internationally benchmarked to ensure that we have world-class curricula in this country.

This is where the problem lies in the education system around the country. While I welcome Labor announcing today that it is going to adopt my plan for a nationally consistent school curriculum, it is astounding political naivety on the part of federal Labor to think that the state governments are all of a sudden going to roll over and adopt a national curriculum of their own free will. The member for Perth has already said that he does not want to impose anything on the states. The states have had decades to voluntarily come together to establish a national curriculum body and develop nationally consistent curricula, but to date there has been staunch opposition.

Together, the education unions in concert with state Labor governments have rejected this approach out of hand, and the member for Perth turning up on the doorstep and having a cup of tea with them is not going to do it. It is so politically naive to think that is going to happen. On issues of national importance, state Labor governments have shown little willingness to put aside parochial self-interest and the self-interest of unions. They have refused to put the interests of students and parents first on this issue. The difference between our policy and that announced by federal Labor today is that we will be able to deliver on it; we will make it a condition of funding. But federal Labor will never be able to deliver on this policy. They are beholden to the same education unions that are so powerful within the state education bureaucracies and state Labor governments.

The Commonwealth does not run state government schools, but it does invest billions of dollars. The taxpayer of Australia, through the federal government, invests billions of dollars in our schools—$33 billion under the current funding arrangement. During the next funding agreement we will be providing around $42 billion, and the How-
ard government are determined that we will achieve higher standards and greater national consistency through that investment. The Howard government have already implemented a bold reform agenda in education. It has delivered a remarkable dividend, but we are only halfway through that journey.

Former Howard government minister David Kemp brought a great focus on raising numeracy and literacy standards. And next year, in 2008, for the first time we will have national assessment of literacy and numeracy standards in years 3, 5, 7 and 9. It will be the first time because we made it a condition of funding. The states will be held to account for what they are teaching students in terms of literacy and numeracy in our schools. We will have comparative data for the first time. Did the states willingly come to the table and say, ‘Let’s have national testing and compare what we are doing state by state’? No. We made it a condition of funding.

Former education minister Nelson built on that great work of former minister Kemp, and he also brought a focus on values based education. It is what parents have been calling out for and the states could have delivered. It took the Commonwealth, through Minister Nelson, to take a leadership role on values based education. The Howard government is building on that agenda but over the past 10 years has focused consistently on performance, accountability and values. We are also taking a leadership role in the drive for higher standards in numeracy and literacy, national consistency in school starting ages, greater national consistency in school curricula, greater national consistency in year 12 certificates, greater national consistency in testing, principal autonomy, performance pay for teachers and improving teacher quality.

That is the agenda of the Howard government. It is already on the education minister’s agenda. In addition to providing record levels of funding in education, we are focused on what is being taught, how it is being taught, by whom, and what the results and outcomes are that are being achieved for that record level of investment. The Howard government have a clear and consistent policy platform under which we are going to take a leadership position in line with the expectations of parents across the country in the drive for improved literacy and numeracy, higher standards across the board and values.

The Howard government has been able to provide record levels of funding in education. We have delivered a 160 per cent increase in schools funding since 1996. There has been a 118 per cent increase in our funding to government schools, even though the enrolments have only increased by just over one per cent. There has been a 26 per cent increase in university funding. There has been an 88 per cent increase in funding for vocational and technical education. I know Labor always trots out this selective—mischievously selective, I might say—figure from the OECD to falsify the picture of tertiary funding. But I rely on the Australian government budget papers, the official analysis of the Australian Public Service and the Department of Education, Science and Training, rather than Labor’s preference for outdated, highly selective, heavily qualified statistics from the OECD. There are so many conditions attached to the OECD funding analysis that they make it meaningless, but that does not stop the member for Perth from trotting it out as gospel. Labor knows perfectly well that the claim about a seven per cent decline in funding is false. (Time expired)

Ms BIRD (Cunningham) (3.56 pm)—Once again, I rise in the House to speak on education as it confronts the nation. I have to make the observation that each time we have
a debate on education in this country there is nothing more profoundly disheartening and, indeed, disappointing than to hear the government, particularly the minister, use it as an opportunity to bash state school systems, to criticise state education unions and to simply put a divisive argument before the House and the community. I do not often see that at the local level, and I am sure many people in their electorates would not either.

I do not see any dearth of government members willing to turn up at public schools to talk about how wonderfully they think that particular school is going and to participate in the activities of that school. But the government and the minister at the table, in particular, have a track record of simply saying that there is a massive failure in the state education system and state education unions. I do not think that helps to advance the argument at all. Indeed, I notice that they are particularly silent on the many emails that we have all been getting from the Independent Education Union and its views on what the government is doing in education.

The issue before us is a critically important one to the long-term prosperity of the country. It is important that our young people are prepared for the work world and, indeed, the broader social world that they will enter when they leave schools. The rhetoric of the government and, in particular, in this case the Prime Minister is that we have to in some way re-encapsulate the sort of primary school that the Prime Minister would have attended in the 1940s. There is such a focus on the minutiae of what subjects are taught in history and on the issues of whether we have a Simpson and his donkey poster and whether we have a flagpole outside the school.

As a parent who has two young people both entering the workforce, I hope fairly soon and I hope well prepared for their future, I have had direct experience of our school system, and I think it does a darn good job. I think young people—whether they go through one of our private education institutions, the Catholic education system or, indeed, the much-defiled by this government state education system—get a really good service from those schools. I think the teachers, by and large, whom I have had experience of through 23 years of having children in the education system, do their very best and sincerely intend to deliver good outcomes for the children whom they teach. I do not think any of them get any joy in being bashed consistently by this government about what they do.

However, education is one of those areas where we constantly have to review, assess and update what we do in our school system because the world into which those young people will enter is consistently changing and updating. You do not need to build an argument based on division, criticism of and attack on the system in order to put an argument for improvements and new opportunities. So I would simply ask the minister to progress her arguments on the basis that they are about improving the education system, without constantly attacking the current system.

The reality is that we are in a global environment in which we have new supereconomic powers emerging, in particular—no surprise to anybody here—China and India. At the moment we are doing quite well out of their emergence because of their heavy demand for mineral resources, and that has given us a very unique opportunity in this country. But none of us should make any mistake in thinking that somehow those new superpowers are simply developing an industrial base; at the same time that they are industrialising, they are modernising and developing their own universities at a rapid pace. They are upgrading their own educa-
tion systems to deliver young people into those universities at a rapid pace. In fact, in 2004 China ranked fourth in expenditure on research and development in the world, so they very well know that they are almost doing a double reform in one go: they are industrialising and modernising at the same time.

What does this mean for our future? As a nation we have always punched above our weight. How will we continue to do that? By investing in education, skills, knowledge and training of our people—that has always been our critical point of advantage. In this place, I have talked before about my and my family’s experience of tradespeople travelling overseas. It was always the case that if you had an Australian trade and went overseas you could pick up work. In fact, they would do their darnedest not to let you go because we were a world leader in trade training. That mix of skills and knowledge combined with creative, innovative thinking has always put us at the cutting edge. That is what we need out of our education system into the future, and the policies the shadow minister and the Leader of the Opposition have been talking about are aimed at achieving that.

We do not need to have a debate about making our schools the same as when we went to school. The critical mistake that people make in any education debate is thinking that their own personal experience is what should be available for the next generation. The next generation will live and work in a different world to the one we have, and we need to look at what would be best for them. Unfortunately, the Prime Minister does not do that. He is of the view that his education provided well for him, and we need to bring back a lot of that for our kids. We do not.

In February 2004, Alan Greenspan made the point that ideas are the centre of productivity growth. We need young people coming out of our education system who are not only literate and numerate but also computer literate and creative thinkers. We want people who are able to develop innovative ideas, who take pride in what they do and who are valued in the workplace, not placed into the work world that the Prime Minister is creating for them where they will be competing against imported labour—indeed, under this Prime Minister, even for apprenticeships, let alone work—and running a race to the bottom on wages on the basis that, if you can afford to get a place at university or compete and get a place at TAFE and not be one of the 270,000 who have been turned away, then you simply go out and become cheap fodder.

Recent media articles have talked about the exploitation of young people in the work environment. This is not the world we want for our young people in the future. If we are going to compete against these emerging giants, we have to do it by creating a system that produces innovative thinkers and highly skilled workers who are able to improve the productivity of the nation.

The announcements made by the shadow minister and the Leader of the Opposition are directly aimed at that. The minister was all over the shop in her response to this: one minute she was saying we had stolen her policy on a national curriculum and the next minute she was saying that our policy is a mishmash of failed Labor policies. A national curriculum is absolutely critical. Working with the states, it should bring all states up to the highest standards—that is, to reform up, not to find the lowest common denominator.

I have quite a few years of experience as a history-English teacher and I know others in the chamber also have teaching experience. When I taught—that is a while ago, let alone into the future—I never wanted kids who
could simply regurgitate facts or roll off Shakespeare quotes. I want kids who come out of our system to be able to analyse information, critically develop their own thinking, and who can put that to use in the workplace to make us a productive and highly skilled nation. This national curriculum proposal works towards that.

We need to start at the beginning and make sure that four-year-olds have a universal right to get play based learning—and we all know how important the early years are—as well as provide support for maths and science students at university to go into teaching. The thing the minister missed in all her comments on science and maths teachers is: the most important thing to ensure you get kids doing maths and science at school is having good-quality maths and science teachers who inspire them. If you provide that opportunity at university, you have a better chance of achieving it. (Time expired)

Mr HARTSUYKER (Cowper) (4.06 pm)—I welcome the opportunity to speak on this matter of public importance. Yesterday the member for Lilley, the supreme rooster, led with his chin on issues relating to the economy. Today we have the member for Perth— that other rooster, that other cooped crusader—out here leading with his chin on education. Why do they keep setting themselves up on these issues when their record is so disgraceful?

Yesterday the member for Lilley tried to lecture us on Labor’s economic record—that coming from an opposition which, when it was in government, delivered $96 billion of government debt, double-digit unemployment and 17 per cent housing interest rates. Labor trashed the economy and they are trying to lecture us on it. It is the same with education. The member for Cunningham said that the government is critical of the state education system. What we are critical of is the failure by state governments, right around the country, to adequately support and resource the state schools that are under their control. The schools are the states’ responsibility, but the federal government has had to step in more and more, not because of any intrinsic problem with the state schools themselves but because of the lack of support from Labor governments. They put their hands on their hearts and say, ‘We’re all into public education as long as it doesn’t cost anything—as long as we don’t have to put any more money into it.’ Only then are they right behind public education. I think it is a disgrace.

The coalition government is doing the heavy lifting on education. We have provided $33 billion for all Australian schools for the period 2005-08, which is an increase of $12.1 billion over the previous four years. Since it came to office, the coalition has increased funding for state schools by some 118 per cent. Almost 90 per cent of state schools have benefited from the $700 million that the government has invested through Investing in Our Schools. State schools are primarily a state government responsibility, but the federal government has jumped in to make up for the neglect that our state governments have inflicted on schools that are their responsibility.

So far the government have spent some $656 million on 15,000 projects, thereby assisting 6,200 schools to provide computers, to build shade sails and playground areas, to make various areas of schools safe and to provide protection for our children from the weather. These types of responsibilities should have been discharged by our state governments, but we saw nothing but neglect from them.

In my electorate of Cowper, 56 schools have benefited from Investing in Our Schools to the tune of some $5.7 million and
171 different projects. These things are supposed to be done by the state governments, but it is the federal government that has been jumping into the breach. On the wider funding front, state governments increased their funding for schools in the 2006 budgets by a measly 4.9 per cent. The federal government has increased its spending by 11 per cent. If the state governments had matched the federal government’s increase in expenditure on education, there would have been an additional $1.4 billion available for investing in our schools.

The Australian government increased its investment in New South Wales schools by 10.7 per cent. The New South Wales government increased its spending by some 3.9 per cent, at a cost to our schools of $492 million. The federal government provided 12.3 per cent extra for Victoria. The Victorian government increased its spending by 4.3 per cent, at a cost to our schools of $403 million. The federal government provided a 10.9 per cent increase for Queensland; the Queensland government provided a six per cent increase. In South Australia, the federal government increased expenditure by 11.3 per cent; whereas the South Australian government increased its expenditure by a lousy 2.1 per cent. In the Northern Territory, the federal government increased its expenditure by 12.3 per cent, but the Northern Territory government actually took 0.4 per cent of the money away—they did not increase their spending; they took money away.

All the time we see state governments spending more money on bloated bureaucracies—as the Minister for Health and Ageing said, they are spending like a drunken sailor on public sector wages. But what is the public getting in return? It is certainly not getting better services, and it is certainly not getting an appropriate increase in expenditure on education. I mentioned in this parliament recently that the state government was going to take two classrooms away from a very fine little school at Lowanna, in my electorate. They were going to come in the middle of night and pinch two classrooms. They were going to take a classroom and the library. I hope they were going to give the kids time to get out of the classroom before they whipped it on the back of a truck and took it down the hill to some store yard in Sydney. The Labor state government is taking classrooms away from our schools.

Narranga public school is a very fine school with very dedicated, highly talented, hardworking staff. The school wants to expand into the areas of music and the dramatic arts and to provide a range of additional curriculum subjects. However, they are impeded because they do not have a hall. Will the state government give them a hall? No, to date they will not. When the Iemma government felt their backs against the wall, they announced policies in the lead-up to the election that will give halls to some of the bigger public schools. I hope that eventuates, but there is nothing on the horizon for Narranga Primary School so far. Let me dwell on Narranga school a little longer. Over the last 10 years, the Narranga P&C has raised $161,500—and good on them!—for school projects. Over the corresponding period, the state gave $51,358—about one-third. So $51,358 was provided by the state government and $161,500 raised by the P&C.

The member for Perth waxes lyrical about making maths and science a priority for future teachers and getting people involved in maths and science. He claims that reducing HECS will somehow dramatically increase the demand for maths and science courses—everybody will flow into maths; they will get interested in those subjects all of a sudden. You would think if he were embarking on what he called a revolution he would do a bit of research. He would investigate what the
experts in the field are saying about the impact of HECS fees on maths and science.

In evidence given before the teacher training inquiry, Murdoch University pointed out that, for institutions with a large proportion of student load in teaching and nursing, capping HECS represented a significant impost. They also claimed that:

The reduction in HECS-based income for Education seems likely to lead inevitably to a conclusion that less University resources ought to be devoted to it, thus paradoxically turning what is recognised as a priority into a non-priority.

The Australian Council of Deans of Education said:

Quarantining Education from the variable HECS fees has not served the purpose for which it was designed. The Council has argued elsewhere that the awarding of national priority status has resulted in Education becoming a less attractive discipline within the university, due to its inability to raise extra funds. Moreover, this status ultimately works against the students for whom it was designed. Not only is Education unable to raise the resources required to support vanguard teaching and learning, but all students suffer if the status of Education is ultimately diminished within the university.

So there is no support from Murdoch University and there is no support from the Australian Council of Deans of Education for making less HECS revenue available to support maths and science. So I hope that the member for Perth does a bit of research before he embarks on such a profound revolution in education.

This government is investing in education. This government is investing in the future of this nation. This government has introduced measures such as the Australian technical college initiative, the Skills for the Future program, retraining older workers and providing for more engineers. We are doing a vast amount in this area. What we are seeing from Labor is just another recycling of some of their earlier efforts. They really need to do their homework. They really need to do some thorough research before they embark on what they claim is a revolution. This government has the runs on the board in education. Labor is just playing catch-up.

Ms HOARE (Charlton) (4.16 pm)—I rise in support of this matter of public importance motion, which condemns the government for its failure in our education system. As a nation, it is imperative that we invest strongly in education to ensure our long-term prosperity. Labor has already announced a range of policies as part of the education revolution under a Labor government. Labor in government would provide 15 hours a week of preschool education to all four-year-olds through learning at play. Labor would also establish day care centres in school grounds where this is appropriate. We have also announced our commitment to trade education and to childcare education and we will support students to study to become maths and science teachers.

Today, as we have heard, the Leader of the Opposition and the member for Perth announced federal Labor’s plan for a national curriculum scheme for Australian schools and the setting up of a national curriculum board. The concept of a curriculum guarantee for students across Australia essentially means that all students will, at the very least, be exposed to a given set of knowledge, content, concepts, skills and understandings. To succeed as a nation in a competitive, technological 21st century economy, Australia needs an education system that reflects and supports teachers and students through current technology. This system needs to be flexible enough to take advantage of future relevant developments in technology. A federal Labor government is committing to investing in our long-term prosperity. The announcement today will ensure that students
are consistently exposed to current curriculum material of the highest quality.

Teachers in Australia need and deserve the support of our nation’s governing bodies. We acknowledge that the work of teachers needs to be efficient and sustainable so that we are able to keep young and beginning teachers in our schools. We must maintain and develop our teaching intellectual capital for the benefit of both our students and our nation. Indeed, the report tabled this week from the House of Representatives Standing Committee on Education and Vocational Training recommends that there be an online national clearing house for current research and resource development. This would provide teachers with up-to-date, accurate resources and access to, among other things, current research. It could also be envisaged that, under Labor’s national curriculum, lessons and modules could be posted online and shared. This would allow for best practice to be developed.

The committee’s recommendation is absolutely contrary to the proposal by the Minister for Education, Science and Training for performance based pay, which would pit teacher against teacher. The minister’s proposal would mean that any innovation in teacher development would not be shared. This would ultimately mean that our students would not be universally exposed to the best quality resources that must be available to all our educators.

It should be noted that the concept of a curriculum guarantee is not a concept that has been designed to limit the professional autonomy of teachers, but rather is designed to enhance this autonomy by increasing the number of high-quality options available to teachers in relation to curriculum material that could be presented to students. The key to teacher professionalism is a creative implementation of curriculum, not its design and constant revision. If a child were to move, for example, from Toronto in New South Wales to Perth in Western Australia, federal Labor’s plan for the national curriculum scheme would reduce the likelihood of gaps in that child’s education—and the gaps which may be experienced in the education of the 80,000 or so students who move interstate each year. It should be further noted that the previous federal Labor government was almost successful in establishing a national curriculum more than a decade ago.

Labor is committed to ending the blame game between federal and state governments, whereas the Howard government and the education minister seem to be only committed to taking credit for any advances or extra funding of our schools and blaming the states or the education union when things go wrong. That is why the Leader of the Opposition has appointed the member for Fraser as the shadow minister for federal-state relations. It does not matter which side of politics is in government at any level or in any state or territory; there must be cooperation for the benefit of all Australians. Australia is at its best when everyone is pulling together in one direction. The Prime Minister does that from time to time for a photo opportunity but, when push comes to shove, he is quite happy to throw the hand grenade.

We need a long-term approach to how we build productivity for the country, and that is best done through a cooperative relationship with the states on real projects which count. We must lift our long-term productivity growth and we must invest in and build our future prosperity. To do this, we must invest in young people and their education. It is important that we argue a long-term vision for this country’s prosperity against a set of Labor values that says that you can have a strong economy without throwing the fair go out the back door. (Time expired)
Mr MICHAEL FERGUSON (Bass) (4.21 pm)—It gives me great pleasure today to join in the debate raised by the Labor Party and, in particular, the member for Perth. The allegation has been made by the Labor Party that, over 10 long years, the government has failed to deliver on education. The MPI states:

The Government’s failure over ten long years to act and deliver the long-term investment in education ...

I find this statement quite breathtaking. It is fair enough that we raise issues that are important, and certainly education is an important issue to everybody on both sides of this place. So I welcome the fact that we are seeing more and more focus and more and more of the national spotlight being placed on education as a very important area of public policy and public investment.

The use of the phrase ‘10 long years’ in the wording of the MPI illustrates where the Labor Party are coming from. To correct the record, this coming Friday will mark 11 years of excellent government, good government and responsible government. This is a government that responds to the needs in the community. The MPI is reflective of the fact that the Labor Party are struggling in opposition; they are finding it a very tiring place to be in. They have been all over the shop on education policy. I have seen during my term in this place, which is now 2½ years, the Labor Party put forward policy after policy which has come across as very contradictory.

The Howard government’s record on investment in education is very strong and one that the government can be proud of. Investment in education has never gone backwards under this government and, in fact, has outstripped growth in the economy, and by any other measure that you would like to use.

It is also important to say that this debate should not just be about a national curriculum. If we do that, we will simply debate the past. In parliament today, we may have reached consensus on the notion of having a national curriculum, a consistent curriculum across all of the states and territories, which all students can rely on to get a good, strong education—a good start in life. It will mean that whatever grade a student achieves, they will leave school with some fundamentals. They will leave school knowing the standards they will need. It is a good thing that we have agreement on this issue. If we restrict our debate to the national curriculum, we will have lost the game. There is a lot more than just that to achieve in this country.

We need to see in education not only greater consistency but higher standards and a stronger emphasis placed on the quality of teachers. We have not heard about that at all today from Labor. Education is absolutely fundamental to a person’s success in later life. Obviously it is very important to have a prosperous economy into the future and necessary that our society be a cohesive place, but the value of high-quality teachers should not be lost in this. Whenever the Howard government and its ministers promote the notion of rewarding good teachers and giving them recognition for undertaking extra development and making extra effort, the Labor Party holds us back through the states and through its industrial wing—the Australian Education Union. Every time a reform agenda is presented, it is fought against on the basis of anti-Howard-government rhetoric.

It is very important in the time that I have left in this debate to firmly put on the record the facts on funding. Over the 10, nearly 11, years of the Howard government, investment in schools across Australia has been impressive at 160 per cent growth. In the current financial year, federal government funding to
Australian schools has increased by 11 per cent—that is triple the CPI. Compare that with increased investment of just 4.9 per cent by the states. If the states were to match the Commonwealth’s increase by the formula set out in the Schools Assistance Act, we would see an extra $1½ billion dollars being invested in our schools today. The MPI that we close on now is simply a reflection of sour grapes on the part of the Labor Party, trying to catch up to the Howard government.

The DEPUTY SPEAKER—Order! The time allotted for this discussion has concluded.

ELECTORAL AND REFERENDUM LEGISLATION AMENDMENT BILL 2006
INCOME TAX RATES AMENDMENT (SUPERANNUATION) BILL 2007
INCOME TAX (FORMER NON-RESIDENT SUPERANNUATION FUNDS) AMENDMENT BILL 2007
INCOME TAX (FORMER COMPLYING SUPERANNUATION FUNDS) AMENDMENT BILL 2007
SUPERANNUATION LEGISLATION AMENDMENT (SIMPLIFICATION) BILL 2007
SUPERANNUATION (SELF MANAGED SUPERANNUATION FUNDS) SUPERVISORY LEVY AMENDMENT BILL 2006
SUPERANNUATION (DEPARTING AUSTRALIA SUPERANNUATION PAYMENTS TAX) BILL 2006
SUPERANNUATION (EXCESS UNTAXED ROLL-OVER AMOUNTS TAX) BILL 2006
SUPERANNUATION (EXCESS NON-CONCESSIONAL CONTRIBUTIONS TAX) BILL 2006
SUPERANNUATION (EXCESS CONCESSIONAL CONTRIBUTIONS TAX) BILL 2006
TAX LAWS AMENDMENT (SIMPLIFIED SUPERANNUATION) BILL 2006

Returned from the Senate
Messages received from the Senate returning the bills without amendment or request.

OFFSHORE PETROLEUM AMENDMENT (GREATER SUNRISE) BILL 2007

Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr HOCKEY (North Sydney—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (4.27 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

BROADCASTING LEGISLATION AMENDMENT BILL 2007

Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.
Third Reading

Mr HOCKEY (North Sydney—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (4.28 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

CUSTOMS TARIFF AMENDMENT (GREATER SUNRISE) BILL 2007

Report from Main Committee

Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr HOCKEY (North Sydney—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (4.29 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

TOURISM AUSTRALIA AMENDMENT BILL 2007

STATUTE LAW REVISION BILL (No. 2) 2006

Referred to Main Committee

Mr BARTLETT (Macquarie) (4.29 pm)—I move:

That the following bills be referred to the Main Committee for further consideration:

Tourism Australia Amendment 2007; and
Statute Law Revision (No. 2) 2006.

Question agreed to.

TAX LAWS AMENDMENT (2007 MEASURES No. 1) BILL 2007

Second Reading

Debate resumed.

Mr HATTON (Blaxland) (4.30 pm)—Before question time I was speaking about three aspects of the Tax Laws Amendment (2007 Measures No. 1) Bill 2007. I comprehensively dealt with the first and the second and I was dealing with the key question of what happens to a superannuation guarantee payment where there is a default by an employer. The provisions in this bill will allow the commissioner to indicate what steps have been taken to investigate the complaint and the actions taken under the act in order to do it. So the employee will have a more perfect knowledge. I also argued we should have a class action with regard to this for all of those people in Australia affected by the Treasurer deciding not to go ahead with the second tranche of Labor’s tax cuts, which were commuted into a three per cent super guarantee, which would have taken it from nine per cent to 12 per cent. At paragraph 2.9 of the explanatory memorandum to the bill, these two points are material with regard to that broader consideration:

• the employer has objected to the Commissioner’s assessment of the SG shortfall …

In this case, take it as the Commonwealth and take it as the Treasurer. The shortfall is in fact at least three per cent, if not six per cent. People could have an adequate retirement on 15 per cent. That really is the absolute minimum. This government has kept it foreshortened at nine per cent. It continues:

• the Commissioner has recovered or is seeking to recover a relevant amount of SG charge owing in relation to the employee.

That is the nub of the situation we have in Australia. We are really going to be six per cent short of what should be the minimum target for ordinary working Australians, baby
boombers and everybody else who has not had enough time to put into it. It is this government’s actions over the last 10 years, where, in their recent changes, they have rewarded the rich in relation to super and they have effectively defrauded those who are poor and nicked that six per cent that should have been rightfully theirs.

Much as I want to continue for a long period of time on this, I know the member for Rankin is eager to take up this point and argue simply, clearly and cogently that the Treasurer of the Commonwealth of Australia should take note of this bill, that the parliament should charge that he be compliant with what was formerly legislated, that he should not have taken away that extra surcharge—the three per cent in the next productivity dividend. That would have gone to 12 per cent and that was the platform for the next and final agreement to go to 15 per cent. The Australian people have been utterly deprived of what is rightfully theirs and the superannuation guarantee for the whole of people’s lives in retirement has been impoverished thereby.

I might call the parliament’s attention to the fact that I have gone over my time by about two minutes. In fairness to everybody else, I should let the member for Rankin have a go.

The DEPUTY SPEAKER (Hon. DJC Kerr)—I thank the member for Blaxland for his kind observation of the forms of the House and I call the honourable member for Rankin.

Dr EMERSON (Rankin) (4.33 pm)—Thank you. The Tax Laws Amendment (2007 Measures No. 1) Bill 2007 contains three main provisions. The first relates to Operation Wickenby, which is an investigation into tax avoidance or, perhaps more properly described, alleged tax evasion activity. It allows the Commissioner of Taxation to disclose taxpayer information to Operation Wickenby task force officers and to officers of future compliance operations. This is a measure to assist the tax office in its investigations into suspected tax evasion and tax avoidance activities. Labor has a long record of supporting measures that are legitimately directed at protecting the revenue base—measures by the tax office to ensure that people pay their fair share of tax.

I said Labor has a proud history, and I certainly will not go right through the postwar era, but I wish to point out that it was Labor in opposition that dragged the then Treasurer and now Prime Minister of Australia kicking and screaming to the dispatch box when the number of memoranda prepared by the Treasury in the late seventies and early eighties had become so voluminous that they could no longer be hidden from the public gaze. Those memoranda related to the assault on the income tax base perpetrated by bottom-of-the-harbour schemes, wet Slutzkins, dry Slutzkins—all sorts of imaginative schemes—into which members of the Liberal Party were up to their snorkels.

Mr Hockey—Hey!

Dr EMERSON—This is true. This is a matter of public record of the early 1980s, particularly in the grand state of Western Australia.

Mr Hockey—Mr Deputy Speaker, I raise a point of order. I take offence at that and ask the member to withdraw.

The DEPUTY SPEAKER (Hon. DJC Kerr)—No, the comment was a generic one and not directed at either you or—

Mr Hockey—I took offence at it. The suggestion that members of the Liberal Party were extensively engaged in this sort of behaviour is just wrong.

The DEPUTY SPEAKER—The minister will resume his seat.
Dr EMERSON—The records show that this activity was rampant and there were very senior people involved in that activity, as I say, up to their snorkels in it. It was Labor in opposition that helped blow the whistle on this rampant activity. I must point out too—and you would be aware of this, Mr Deputy Speaker—that the coalition managed inadvertently to blow the whistle on itself by organising the Costigan inquiry into the painters and dockers union. While we are talking about painters and dockers and all things maritime, the reality is that that inquiry found instead evidence of widespread abuse of the tax system through these various schemes.

If we wind the clock forward, we see Labor in parliament supporting the government in this case. Fortunately, the Treasurer has not been dragged kicking and screaming into authorising action through Operation Wickenby. I point out, however, that the annual report of the tax office a couple of years ago referred to the innovative establishment of a special unit directed at high-wealth individuals. To paraphrase the relevant part of the report, it said words to the effect that, unfortunately, there is no shortage of work for that unit. Labor argues, and has consistently argued, that people should pay their fair share of tax. This measure is designed to go some distance towards ensuring that people do pay their fair share of tax. Therefore, Labor supports the amendment in this bill.

The government has indicated that it is committing $300 million to Operation Wickenby over seven years. The budget measures in the 2006-07 budget increased revenue as a result of the operation. It has been estimated that the increased revenue could be $323 million over four years. If you do a little bit of simple arithmetic that might not seem to be a huge return on the investment that is going in. But when we evaluate anti-avoidance and anti-evasion activity on the part of the tax office we see that it is about not just the direct return but the signal that it sends to tax dodgers around the country that the tax office is vigilant and will run them to ground and bring them to account. So there is a much bigger second dividend through the overall impact on compliance with the income tax laws of this country.

I will note that compliance levels overall, according to the tax office, are pretty high, but where they are not it undermines the integrity of the tax system. It sends out a message: if some people are avoiding tax, why should honest taxpayers pay their fair share when very wealthy people do not? Therefore, these sorts of measures, even if they do not produce what seems to be a huge rate of return directly, are nevertheless well and truly worth while.

The second set of provisions in this legislation address the prohibition in the current law on the disclosure of information about the progress of any action taken by any person in relation to the Superannuation Guarantee (Administration) Act. That is a way of saying that at present the tax office is prevented from providing information to employees on the progress of their superannuation guarantee complaints. The amendments will allow the tax office to give information to an employee in response to the employee’s complaint that his or her employer has not complied with the employer superannuation guarantee obligations. This is a commonsense amendment. Of course, if an employee feels aggrieved and feels that his or her employer is not doing the right thing in providing the superannuation guarantee payments to which he or she is entitled then a complaint obviously can be made. But, under current laws, the tax office is prohibited from advising the employee of the progress of that complaint. It can become a bit of a black hole. So this will shine a light into the black hole and allow the employee to at least be
apprised of the progress of the assessment of that complaint.

Supporting this particular provision gives me the opportunity to support the superannuation system in this country more generally—a superannuation system for which the coalition has been claiming credit lately. It is as if nothing ever happened before 1996. I recall, as do so many Australians, that a very significant change occurred in Australia in the late eighties and the 1990s, under the previous Labor government and under the direction of Paul Keating, firstly as Treasurer and then as Prime Minister. That, of course, was the introduction of the superannuation guarantee.

Mr Hockey interjecting—

Dr EMERSON—The minister at the table, Minister Hockey, groans about this. He should not groan about it. It is one of the great achievements, one of the great reforms, of the previous Labor government and one of the most enduring reforms that this country has ever seen.

Mr Hockey—I am prepared to accept that. I accept that.

Dr EMERSON—Before that, superannuation was the province of the wealthy. What these changes did was to extend superannuation coverage to working Australians more generally. Not every working Australian is fully covered now. We would always like to see better coverage for women, for example, who are in and out of the workforce, having children. When they reach retirement age they tend not to have the size of the superannuation savings asset that perhaps men who are fully employed through their lifetimes do.

The second area of concern is in relation to casual employment. There is a very large section of the workforce that is casually employed. Quite often, sadly, employers do not make the necessary contributions in superannuation payments in the informal part of the Australian economy. As a consequence, those who are in and out of casual employment can find themselves in the predicament that when they retire they do not have adequate savings through their superannuation.

These measures of the previous Labor government also had the effect of protecting the integrity of the budget, because we could not foresee a situation where the entire retirement incomes of working Australians would be provided through the budget in the form of the age pension—and there was the farsighted approach adopted by the previous Labor government.

It is interesting that the minister has interjected, in a very friendly way on this occasion, saying that he is prepared to acknowledge the contribution of the previous Labor government in developing and implementing these measures. It is a pity that his colleagues at the time did not follow suit; they opposed the superannuation guarantee at every opportunity. And when we hear the Prime Minister saying, ‘Labor opposed this and Labor opposed that, but we supported the reform program of the previous Labor governments,’ that is just not accurate. The coalition in opposition did support some measures, but it was vehemently opposed to the superannuation guarantee arrangements.

However, it realised that it too would have to deal with the integrity of the budget and other matters in relation to the adequacy of retirement incomes, and, therefore, in going to the 1996 election, it said that it would, in effect, deliver on the extra instalments on the superannuation guarantee in what it described as a more equitable manner or a more efficient manner. It did not. One of the big savings measures adopted in the 1996-97 budget was the most short-sighted savings measure that you could imagine—that is, the government cancelled that increase in the
superannuation contribution from the Commonwealth. As a consequence, the retirement incomes of working Australians were no longer assured.

The government then gave some of the proceeds of that back as income tax cuts in 2000, claiming that they were jolly good fellows, that they were compensating for the GST and introducing the biggest income tax cuts in Australia’s history. All they were doing was giving the Australian people back some bracket creep and the superannuation commitments—

Mr Hockey—When did you ever do that?

Dr Emerson—I will come to that, Minister—that the coalition said it would honour. The minister said, ‘When did Labor ever give back bracket creep?’ I will tell the minister when Labor gave back bracket creep: Labor gave income tax cuts seven times in 13 years, returning all the bracket creep and more.

Mr Hockey interjecting—

The DEPUTY SPEAKER—Order! I do not think the member requires protection, but the minister should stop interjecting!

Dr Emerson—Treasurer Costello has told the National Press Club and this parliament that Labor never delivered income tax cuts in his memory. Labor gave seven rounds of income tax cuts in 13 years, returning all of the bracket creep and more. So you had better go back to the old brief, Minister, because you absolutely do not understand that Labor did in fact return all the bracket creep and more in seven rounds of tax cuts in 13 years.

The superannuation savings assets of working Australians have now passed $1 trillion—$1 trillion. This is a magnificent achievement, created, fashioned and inspired by the previous Labor government.

Mr Hockey interjecting—

Dr Emerson—that $1 trillion—and I note and welcome the fact that the debate has livened up here, and so it should—is projected to grow to $3 trillion by 2017. So we will have a magnificent situation where working Australians will have superannuation assets of more than $3 trillion by 2017.

Mr Hockey—Thanks to the coalition!

Dr Emerson—Thanks to the coalition? You see, they do not remember anything that happened before 1996. They do not believe or accept that Labor introduced the superannuation guarantee. They do not accept that; they like to rewrite history.

Let us look forward to the future of $3 trillion of superannuation savings, which means an adequate retirement income for many working Australians who would never have had an adequate retirement income if it were for the attitude of this minister, the member for North Sydney, and this minister, the member for Dickson, and their party, which never believed in the superannuation guarantee and opposed it at every opportunity. When under public pressure going into the 1996 election, their party said they would honour the commitments. They lied, broke their promise and called it a budget saving before returning it in part in 2000 as income tax cuts, saying: ‘Aren’t we magnificent? The biggest income tax cuts in Australian history.’ All they were doing was returning the money to the Australian people that they took off them in 1997.

This legislation goes on in its third schedule to propose amendments to a number of the tax acts to extend employee share ownership concessions and related capital gains tax treatment to stapled securities. This is a measure that we support, but I will take the opportunity again, because we are talking here in this legislation about tax avoidance and tax evasion activity, to talk a little about...
employee share ownership plans that come in the form of executive share schemes.

The Minister for Defence, when he was the Chair of the House of Representatives Standing Committee on Employment, Education and Training, chaired an inquiry into employee share ownership plans. We thought we were genuinely looking at ways of increasing employee share ownership. But what came to light, in a mini version of the Costigan inquiry, was the rampant tax avoidance that was going on through executive management schemes. This meant that executives in Australia could get big tax breaks on their share options, hope and expect that the value of those options would increase over time and get really big tax concessions. Not only do they do that lawfully; they were engaging in avoidance activities that the tax office said at the time were more or less under control because they had managed to detect them. I was at a meeting where we tabled one of the latest plans. The blood drained from the faces of the coalition members of that committee, because it showed that these rorts were still well and truly rampant.

But the most amusing and, in a way, the most disgusting part of this was that one of the key recommendations of the Liberal members of that committee was to institutionalise—legalise—the rorts so that executives would basically be able to take most of their remuneration tax free. That is what Dr Nelson, the current defence minister, recommended. Labor opposed those recommendations. Perhaps that report was better described as ESOP’s fables: employee share ownership plans were supposed to be these wonderful things to increase employee participation in the company through a share ownership, but in fact these rorts had been implemented and were rampant.

Here we have now the minister, who is wounded by the fact that he has presided over this sort of tax avoidance and tax evasion activity in this country—

Mr Dutton—Mr Deputy Speaker, I have two points of order. First, I draw your attention to the bill that is before the House and the fact that there is no possibility for the contribution being made currently by the member for Rankin to be relevant to the bill that is being debated. The second point of order is in relation to the offensive remarks he made as he was being asked to sit down, and I would ask that he withdraw them.

The DEPUTY SPEAKER—There are two points: firstly, this is a bill that does permit the wide-ranging comments that have been made; secondly, I did not hear any offensive remarks but, if there were, I would ask the member to withdraw.

Dr Emerson—I am not aware of the remarks to which the member is referring. If he has taken offence, I withdraw. On the first point of order, the third schedule of this legislation, Minister, is about employee share ownership plans. How more relevant can you be? Have a look at the brief. Work out why you are in the chamber. Read out the notes at the end but do your homework, because it is on employee share ownership plans. I will end this where I started: the coalition has a very bad history, a very bad track record, in clamping down on tax avoidance and tax evasion activities, going back to the Costigan report and going forward to that disgraceful set of recommendations by the current Minister for Defence. Fortunately, the Treasurer repudiated him and did not implement those recommendations, but I am sure that there would be plenty here who would like to see further rorts extended to executives around this country. Labor will be vigilant in cracking down on tax avoidance and tax evasion.
The DEPUTY SPEAKER—I thank the shadow minister and I observe that, but for the fact that he appeared to enjoy the experience, there was a level of interjection which was beyond that which is normally tolerated.

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (4.54 pm)—in reply—I take the opportunity to thank those members who have contributed to this debate on the Tax Laws Amendment (2007 Measures No. 1) Bill 2007. I want to make some comments in response to some of the issues discussed during the contribution of the previous speaker, the member for Rankin. I thought that he may well have taken the opportunity to clarify his position in his own misleading of listeners to Brisbane radio this morning. He was called to account by the presenter, Madonna King, for what could only be described as a dubious contribution to the Work Choices debate in this country which we are currently undertaking. This is a further demonstration of Labor’s inability to put forward a coherent policy. It was very similar to the way in which the Leader of the Opposition is conducting himself—that is, to walk both sides of the street. On this matter and others he cannot help himself but to say one thing to the unions and another to those people who were listening this morning. It was a terrible contribution, and if he had any sense of decency he would have taken the opportunity to present himself to this place to clarify the remarks and to apologise to the people of Brisbane for deliberately providing misleading comments about this debate to listeners of ABC radio this morning.

This bill amends various taxation and superannuation laws to implement a range of changes and improvements to Australia’s taxation system. Schedule 1 amends the tax secrecy and disclosure law to allow the Commissioner of Taxation to disclose certain taxpayer information to officers in the Project Wickenby task force. It also allows this disclosure of information for similar task forces that may be established in the future. Project Wickenby is a multi-agency task force that provides significant support to the difficulties that are faced by our law enforcement agencies.

As part of my contribution to this summing up speech I do want to thank members who have contributed, as I said in my opening remarks, but I should take the opportunity to answer some questions and points raised in the course of the debate. The member for Prospect noted a concern that personal tax information provided to ASIC under the Project Wickenby secrecy changes could be disclosed to a third party. I take the opportunity to thank the member for his question and I note that agencies who receive information as a result of those changes will be subject to secrecy obligations similar to those currently applicable to tax officers.

The amendments preserve the general protection of taxpayer privacy while removing impediments to the Commissioner of Taxation disclosing certain information to task force agencies to aid concerted law enforcement by Project Wickenby and similar task forces that may be established in the future to protect the public finances of this country.

As noted by the member for Riverina—and I thank her very much for her valuable contribution to this debate—this bill delivers on the government’s 2006-07 budget announcement to allow the Commissioner of Taxation to provide information to employees on the progress of their superannuation guarantee complaints. From 1 July this year, the commissioner will be able to provide employees who complain that their employer has not paid their superannuation entitlement
with information about the steps taken to recover any superannuation guarantee charge from the employer. These changes from 1 July form part of the government’s commitment to improving the Australian Taxation Office’s responsiveness to superannuation guarantee inquiries and will remove a significant community irritant around the administration of the superannuation guarantee system.

Schedule 3 amends the tax law to extend employee share scheme concessions to certain stapled securities. Currently, it is difficult for employers without unstapled ordinary shares on issue to provide employees with access to the employee share scheme concessions. Industry has recognised that the amendments will dramatically simplify the operation of employee share schemes for employers with stapled securities. This will allow more employers to offer employee share schemes. The measures in this bill will make positive improvements to Australia’s taxation laws and are further evidence of the government’s commitment to individuals and businesses.

Over the past decade, the government’s strong economic performance has seen both individuals and businesses benefit from lower taxes and greater incentives to save and invest. Eighty per cent of taxpayers are now on a top marginal tax rate of less than 30 per cent and businesses face a top rate of 30 per cent. Real household wealth has doubled since 1996 and business profits are at record highs. These results have not been achieved by good fortune alone but as a consequence of a clear economic philosophy and experience. The amendments in this bill are further evidence of the government’s support for individual taxpayers and the business community and of our determination to see continued economic prosperity in this country. I commend this bill to the House.
who have not been subjected to appropriate security checks can enter.

Labor welcomes the fact that the maritime crew visa sets in place a reporting regime for foreign maritime workers coming into Australia, but the fact that shipping agents will be able to apply on behalf of members of crew indicates that the ASIO and AFP assessments that will occur might not be as comprehensive as would be required. Currently, foreign non-military maritime crew and their families are not required to make a formal application for a visa before coming into Australia. Special purpose visas are currently granted by operation of law. At present, maritime crew are granted the special purpose visas on arrival in Australia, following checks against the Department of Immigration and Citizenship’s movement alert list. This process does not permit security checks to be conducted before the crews of these ships are allowed to enter into Australian ports—an issue that Labor has been saying for some time needs to be addressed.

I cannot understand why it has taken almost 6 1/2 years since the events in September 2001 for the government to introduce a security checked visa for maritime crew. The government has only just adopted what has been a longstanding Labor Party policy to vet foreign maritime workers. Labor has consistently raised concerns about foreign vessels, whose crews had not been security vetted, carrying thousands of tonnes of explosive materials around the Australian coastline.

In 2005, the Australian Strategic Policy Institute published a damming report, *Future unknown: the terrorist threat to Australian maritime security*, on the state of Australia’s security arrangements. The report identified the danger of foreign flagged vessels carrying dangerous goods around the Australian coastline. This is a warning Labor has repeatedly made to the government. We have specifically warned about the dangers of foreign crewed, foreign flagged vessels, for which there has been no security check, carrying ammonium nitrate around Australia’s coastline. We have also pointed out that organisations like Abu Sayyaf and Jemaah Islamiah have acquired the skills and opportunities to launch a maritime security attack. These groups do operate in South-East Asian waters near our borders and in waters in which the incidence of piracy is actually the highest in the world.

On the last available figures, there are two acts of piracy per week in the waters just to our north-north-west—exactly the areas in which those organisations operate. Labor’s spokesperson on homeland security, the member for Brisbane, has reported that United States intelligence sources have observed that the al-Qaeda group is suspected of owning or having a long-term charter fleet of between 15 and 18 bulk general cargo vessels. Whilst it is believed that these vessels are used to generate revenue to support the group or to provide logistics for that network, it is also feasible that one of these vessels could be used as a floating bomb on some sort of mission, making use of an explosive just like ammonium nitrate. Against that background, you really want to have security checks on the crew. It is really important that that process be as watertight as it can possibly be.

The failure of the Howard government to ensure that these dangerous chemicals are handled by crews who have been properly checked and cleared—at the moment this applies only to Australian crews—is a great disgrace. Let us think about the consequences of that for a moment. An organisation which has access to maritime vessels also has expertise in maritime terrorism, has expertise in explosives and access to those explosives, yet the Howard government runs
at a snail’s pace to upgrade the maritime security visa system.

Australian maritime workers, on the other hand, do undergo rigorous testing. To acquire their maritime security identity card, Australian maritime workers have to apply for AFP and ASIO background checks. Under the Howard government, foreign maritime workers do not undergo similar checks, even though they sometimes carry thousands of tonnes of explosives into and around Australia. That is dangerous and irresponsible. It has been a disturbing national security failure on behalf of this government to not address this concern until now.

While the government has improved security amongst Australian flagged ships, it is of great concern that invasive security and criminal background checks are not conducted on foreign crews. Furthermore, this government has misused the process of giving permits to foreign crewed ships to travel around Australian ports. A system has been in place for many years to enable foreign flagged, foreign crewed ships to operate the Australian coastal route by special permit. While that process appears to be sensible enough, this government has used it as a tool to attack the Australian crewed ships and their economic viability around Australian ports. As the shadow minister for homeland security and territories has repeatedly said, this government has seemingly handed out these permits like confetti. The government has not done the security checks on foreign crews that are done on Australian crews—and they are only done on Australian crews because we believe it is important for national security. We should not say that, because you have a foreign crewed ship, there cannot be a similar threat. It has been unacceptable.

While this government needs to provide more support to the Australian shipping industry, this bill at least goes some way to addressing the issue of security checks on foreign maritime crews. While the bill will enable crew to be appropriately security cleared before they enter Australia, it also contains a number of sensible measures to allow the visa to be ceased by declaration where it is considered undesirable for a person or class of persons to travel to, enter or remain in Australia. The bill also includes an express power to revoke such a declaration, to allow for situations where additional information may come to light about a person’s suitability to travel or to remain in Australia. These declarations and the capacity to revoke them are a very important practical measure that forms part of the bill. It is important that the government exercises it judiciously and sensibly, but obviously there is potential for national security considerations to give rise to a visa cancellation.

We also have the practical problem where, from time to time, the master of a vessel will make contact with Australian immigration and explain that a member of their crew has gone missing at the time the ship intends to leave. It is important in these situations for the minister to be able to cancel the visa. The reason why there is this revocation—it should be able to be made in a way that completely obliterates the declaration saying that the visa has gone—is that situations do occur, which are not just limited to the shipping industry but that industry is an example of where it does occur, where the master of the ship will believe initially that a member of the crew has gone missing and abandoned ship yet some hours later that crew member will be found in a tired or emotional state somewhere not too far from the port and, in fact, still be able to rejoin the vessel. In those circumstances it is entirely appropriate and those provisions are in the bill for good reason. They have to be exercised properly and the discretions that apply there have to be
dealt with judiciously and carefully. Labor understands that the detail governing the new maritime crew visa will be set out in the migration regulations and we will have a look at the regulations when they are presented.

In the financial package that forms part of all of this, the government has allocated $100 million over five years for the introduction of the visa. In a media release dated 22 December 2005, the government announced a $100 million maritime crew visa system for all international seafarers visiting Australian ports after July 2007. The breakdown of that $100 million was announced as being $55.3 million for IT systems which would be associated with the new visa and to record sea crew movement records, to employ 19 additional regional sea ports officers to assist industry with the new visa and to conduct vessel boardings and manage compliance, and to employ additional staff in the immigration department’s entry operations centre to support the shipping industry. It also detailed that the Australian Customs Service will receive $39.5 million for the 66 new Customs officers who will enforce the new provisions as part of Customs vessel clearance processes. In addition, ASIO will receive $5.5 million under the package.

Labor will ask for further details regarding this expenditure, once we get to the Senate Legal and Constitutional Affairs Committee’s examination of the bill. It is imperative that this money be spent to improve Australia’s national security at our ports and along our coastline. It is overdue and much needed. Despite the government regularly wanting to make claims about being tough on border security, we have had not only the government’s long delay in introducing this bill but also Indonesian fishermen regularly entering Australian waters illegally.

Mr Baldwin—And they are being prevented.

Mr BURKE—If only it was as good as has been implied by the parliamentary secretary. Following a period of increased sightings of illegal fishing operators within the Australian exclusive economic zone by Coastwatch and the Australian Defence Force assets, there has been a fall more recently in the number of sightings.

However, there has also been a reported shortfall in aerial surveillance by Coastwatch over our northern waters. This has to be combined with the unavailability of the Navy’s Armidale class patrol boats, which are stuck in repair dock. The Armidale class patrol boats are meant to be used by the Navy to intercept illegal fishers. In September 2006, problems were detected with the fuel system and the Armidale fleet was sidelined. In February 2007, it was confirmed that the problems are still occurring and are proving difficult to fix. According to the Navy’s website, the Armidale class was supposed to:

... improve Navy’s capability to intercept and apprehend vessels in a greater range of sea conditions increasing surveillance, which will better protect Australia’s coastline.

This is disturbing news. It represents five months in which we have been relying on stopgap measures like the soon to be redundant Fremantle class to patrol our northern waters.

This government is simply not on top of its responsibility with regard to border security in those northern waters. More needs to be done. When it comes to illegal fishers, I would hope that the government members also acknowledge that more needs to be done. If they think that the current level of patrols aimed at illegal fishing is adequate, they should say so. Despite its delayed introduction, this bill is a welcome measure and a step in the right direction. I move:
That all words after “That” be omitted with a view to substituting the following words:

“whilst not declining to give the bill a second reading, the House condemns the Government for its failure to provide necessary maritime security and protect Australians, including:

(1) its careless and widespread use of single and continuing voyage permits for foreign vessels with foreign crew who do not undergo appropriate security checks;

(2) permitting foreign flag of convenience ships to carry dangerous goods on coastal shipping routes; and

(3) failing to ensure ships provide details of crew and cargo 48 hours before arrival”.

The DEPUTY SPEAKER (Hon. DJC Kerr)—Is the amendment seconded?

Ms King—I second the motion and reserve my right to speak.

Mr RANDALL (Canning) (5.17 pm)—I am pleased to speak on the Migration Amendment (Maritime Crew) Bill 2007. As the opposition spokesman, the member for Watson, said, it is an uncontroversial bill. It is a timely bill. It addresses what has been seen to be an area that needs further tightening. That is agreed to by both sides of the House. Otherwise, it wouldn’t be in the House, would it? The purpose of this bill is to create a new temporary visa called the maritime crew visa. This visa will apply to the foreign crew of non-military ships bringing imported goods into Australia. It will also apply to their spouses and to their children. This visa will replace the special purpose visa, which is the current arrangement, and other similar visas granted by operation of laws in this category. The purpose for creating this new visa is to ensure an appropriate level of security checking prior to the granting of a visa in order to enhance border security. As we know, this government has been outstanding in the way that it has enhanced the border security of this country. I will say a little bit more about that in a moment.

I want to talk about the replacement of special purpose visas. The special purpose visa has been in operation for this class of persons for many years. In fact, it covers a range of persons. Some of the people who this special purpose visa covers include: the royal family, Asia-Pacific forces members, foreign force dependants, foreign naval force members, airline positioning crews, airline crew members and, believe it or not, persons visiting Macquarie Island. It covers children born in Australia of a mother who at the time of the birth held a special purpose visa, if only the mother is in Australia at that time. In other words, it covers a lot of contingencies.

Quite interestingly, and rightly, it covers Indonesian traditional fishermen visiting the territory of Ashmore and Cartier Islands. The opposition just asked, ‘What are they doing about Indonesian and foreign fishermen and their incursions into Australian territorial waters?’ Maybe they did not read this. This arrangement has been in place for many years. Had these Indonesian traditional fishermen— and we know that this is a bit far-fetched, because they do not generally do this—applied for a special purpose visa, they probably would have been considered for one. It is all very well to say, ‘Shock horror!’ but there is an arrangement in place.

In terms of border security, the Australian surveillance operation in the north-west—and in particular around Ashmore Island and the coastal areas—has been very successful. Okay, every now and again over that huge expanse of coastline and sea we have one or two getting through. But they do not do too well when they get through because they are found pretty readily by the Australians living on the mainland and then rounded up. As we know, in the previous budget we set aside $5 million for a crematorium to burn Indonesian boats because of how many we had been discovering. The ships need to be burnt be-
cause of the vermin that the ships have in their hulls and inside them. We do not want them to reach the mainland or stay here, and they will eventually infest our waters if the ships are sunk offshore. Our border security is second to none. The rest of the world would give their right arms to have the surveillance and security that we provide for Australia’s border protection. As the member for Watson also said, this bill is funded to the tune of over $100 million over five years to introduce this maritime crew visa. Like the special purpose visa, it will not cost the applicant.

We know that something like 585,000 crew members travelled to Australia in 2005. And we know that previously they applied when they got here. This is why the bill is in place: because it has been seen to be an inadequacy. Now these people can make applications online themselves before they arrive and their agents can apply on behalf of the crew members. The member opposite asked, ‘What sort of security is that when an agent can apply for you?’ All I can tell you is that we have the best electronic database on people coming to this country. I can assure you that anybody who had some sort of form or record who applied electronically would be found out very quickly. The fact that an agent applies, to my mind, is not a flaw at all because they have to do it before they get here. Coming by boat you do not arrive within a day, so they have plenty of time to check the records of the people who are arriving.

In addition to this, the transition period that is going to be in place—and this will commence on 1 July this year and run until 31 December 2007—is a good six-month period. We are making it very clear that, if you have not organised yourself a maritime crew visa by then, there are going to be extreme sanctions, because it will be mandatory from 1 January 2008. The sanctions will come under the Criminal Code, and they will take very severe actions towards those who transgress.

With respect to the special purpose visa, we have heard those opposite talk about ‘ships of shame’. There is still this criticism, as you can see in the amendment moved by the member for Watson. The second part of the amendment says ‘permitting foreign flag of convenience ships to carry dangerous goods on coastal shipping routes’. That is fine. I would imagine that any cargo that is onboard these boats is well known before it comes to Australia. We make sure that it is not only the crew that is surveilled but the sort of cargo they bring as well. I am sure the member for Batman, as nice a bloke as he is, will take issue again. Much of his contribution will be about foreign flagged ships trailing between Australian ports, and how—shock, horror!—this takes jobs away from Australians and terrible things will happen as a result of people on foreign flagged vessels.

Mr Martin Ferguson interjecting—

Mr RANDALL—You are right. One of the outstanding cases was the North Korean boat—

Mr Martin Ferguson—You support exporting Australian jobs!

Mr RANDALL—Not at all. Let me just say to that interjection: Australia is so blessed with jobs at the moment, we are actually importing jobs! In Western Australia, should the member for Batman ever cross the Nullarbor, he will find out that over there the state Deputy Leader of the Labor Party, Mr Eric Ripper, is begging our minister to relax the terms and conditions of the 457 visas to bring in more skilled workers—even unskilled workers. This is Mr Ripper, a senior member of the Labor Party, saying, ‘Please relax this so we can bring more workers into Australia because we can’t fill the jobs.’ That includes those on cargo vessels, merchant
ships. Not only are we having trouble getting people in the Navy but we are having trouble stocking our ships. So, Member for Batman, we do not want to export Australian jobs at all.

Mr Martin Ferguson—Well, you’re doing a good job of it!

Mr RANDALL—Not at all. At the end of the day we are saying that we have plenty of jobs in Australia. Unemployment in Western Australia is at 3.1 per cent. Have you ever seen anything as good as that? It is 4½ per cent in Australia. What was the record the last time the Labor Party was in government? It got up to close to 11 per cent. What a shame.

Mr Martin Ferguson interjecting—

Mr RANDALL—Young people in particular were being done out of a job in this country under the previous regime. We have 4½ per cent—a stellar performance—and yet the member opposite talks about exporting jobs.

Mr Martin Ferguson interjecting—

Mr RANDALL—I ask you: is there a fair arbitrator in this House or not? I think the fair people who are judging this will know that what I am saying is correct. At the end of the day we are making it easier for people to do business in Australia by allowing them to move in and out of ports with their ships and their families far more easily.

But let us talk about the celebrated case of the Pong Su, the North Korean vessel that came here. We should have known more about its crew. In the end we had a long court case in this country because it was a drug-running ship under the flag of the North Korean government. At the end of an interesting court case, which many people in this House would have known about, unbelievably most of them were let go. I believe only two were eventually dealt with. It was a strange set of events. But, anyway, that is the sort of thing we are trying to stop, and this will go a long way towards that.

On the last part of supporting this bill, the fact is that these amendments from the Labor Party are unnecessary. It is more about, again, falling in behind the old union mantra about non-unionised ships and all this sort of stuff. They would have us almost go back to the time when the ports were heavily unionised. We could go back to a crane rate of eight to 10 an hour instead of 25. We do not want to go back to that, but their political masters keep yanking their chain and wanting them to do that. At the end of the day this has nothing to do with the bill that we are talking about, yet I am sure you will hear the member for Batman banging on about the union arguments again here.

In conclusion, the Migration Amendment (Maritime Crew) Bill 2007 is full of integrity. It does what we need it to do. It is done in a timely way. It is good that it will start on 1 July this year. I support the bill.

The DEPUTY SPEAKER (Hon. DJC Kerr)—I thank the honourable member for Canning. But, to disappoint his expectations, the member for Blaxland will bang on first!

Mr HATTON (Blaxland) (5.29 pm)—First let me thank you, Mr Deputy Speaker, given that I will be in the chair next, for your indulgence and help in this regard, and also the member for Batman as the relevant shadow minister and I as a backbench member have demanded this very action of the government time and
time again. It is about time that we have this legislation. We support this piece of legislation.

Up until now this government have allowed in the order of 585,000 foreign crew-men a year to pass through Australian ports with what is effectively a global visa—‘You’re going to come through: here’s the ship; it’s got foreign crew and families on it as well. Here’s a temporary visa or a special purpose visa; that’ll cover everyone.’

Terrorism is worldwide. Terrorism is perpetrated in all Western countries; it is also perpetrated in Moslem countries. It is perpetrated in ports, in airports and against major buildings. You name it, they will do it. What the member for Batman and I have repeatedly said on this particular issue is that this is a fundamental hole in our national security and it has to be plugged, because, if you do not know who the crew are on a particular vessel and you do not know or you do not know early enough what the nature of the cargo is—and if you are not aware and pre-scient because of that foreknowledge—you cannot adequately take the steps that are necessary to forestall a potential terrorist incident.

As I have underlined in previous debates on bills associated with this and the maritime area, we have a simple, fundamental problem. Ammonium nitrate in tanker loads is brought to Australia by foreign crewed vessels. They enter our ports from one end of the country to the other. But ammonium nitrate is not only used as an agricultural fertiliser. It is used as a bomb in the mining industry. It has a massive explosive effect, and a ship laden with ammonium nitrate could be used to obliterate the whole CBD of Sydney. Because no-one has done it before does not mean that they will not do it if they have the opportunity.

I wish the Migration Amendment (Maritime Crew) Bill 2007 would take effect before 1 July this year; it should have been in previously, we know. That is one of our criticisms: that the government announced this in 2005. The government does this; it is like vapourware, which is common in the IT industry, as the Parliamentary Secretary to the Minister for Defence, who is at the table, will know. You announce a product that does not exist. Even Apple has done it with its last few products, but we hope they are actually coming down the chute. It is vapourware; it does not exist until it eventually gets into place.

The Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill that we dealt with earlier today came five full years after the first steps were taken. This is not a government that is rushing to improve our national security. It is one that has to be whipped mercilessly into doing the right thing in defence of Australians. We need to ensure that we are not only vigilant but diligent in working our way through what is on those vessels and the people who are there, because having a global visa is no real help at all. So there is a shipful of people; we do not know who they are. We do not know if anyone has got a track record.

Putting this into place will be costly—$100 million over five years. But it is a necessary cost in a globalised world of globalised trade, in a world that has not just been like this since September 11 2001 but, if you look at the attacks on ships, has been like this since back in the early 1990s. There was the attack on the USS Cole that was perpetrated by al-Qaeda out of Yemen. And, if you look at a series of other attacks on our embassies and elsewhere, you see the attacks can come in any form and any shape. They are meant to be very flexible in how they approach it.
Previously, when we have discussed this, part of the argument people have put up is, ‘Well, we shouldn’t really be too worried about this because they haven’t done it yet.’ But that is the very point in relation to these terrorist organisations. They are not bound by a timetable and a scale of values or a scale that says, ‘Well, we can only do this if we have done it before and practised it enough.’ We know from what was discussed earlier today that dozens or up to 50 people were preparing to undertake the most massive attacks on aircraft that we have ever potentially seen and that thousands of people could have died in journeys to the United States from Britain if there had not been an active intervention by the British police and if they had not taken the people who were conspiring to take liquids, gaseous material and electronic material that, once put together on the plane, would be very effective bombs.

So we need to be aware, open, elastic, flexible and thoughtful about how we secure ourselves as a nation and how we ensure that we are not going to end up in the soup in this regard. I support the amendments. They are general in the points they are making. They underline the fact that this government really has to be pressed into these areas, but I simply underline the past history of argument with regard to this, and what the member for Batman, no doubt, while I am in the chair, will be banging on about—to use your phrase, Mr Deputy Speaker. This is fundamental to our security. The government just does not tend to think about port security at all because we have not had that major attack. The last thing you want to do is to be trapped in a mode where you are preparing against the previous attack, because you know the next one is going to be different. So, given your felicity on this, I thank you, Mr Deputy Speaker, and the member for Batman, and I will conclude my one brief speech for this day.

Mr MARTIN FERGUSON (Batman) (5.36 pm)—I welcome the opportunity to address the Migration Amendment (Maritime Crew) Bill 2007, which I think is a very important bill before the House. In doing so, can I say on behalf of the opposition that we have been banging on about these issues for a number of years. I first raised the issue of maritime security and the question of proper security checks of overseas crew when I was shadow minister for migration in the lead-up to the 1998 election. That is a considerable time ago. So it is only now, because of September 11, that the Australian government has got serious about aviation and maritime security in Australia.

The truth is that the opposition have raised these complex issues for a number of years. We saw the gaping holes which created a major potential risk to Australia in aviation and maritime security long before the Howard government did. I am very pleased to see this bill come before the parliament because it addresses—and it is about time—the historical dereliction of duty on the part of the Howard government to get serious about maritime security and carry out comprehensive security checks on foreign crews.

This is something the maritime industry, including employers, workers and their unions, have wanted for years. It is something that not only the Australian community but also the international community rightfully expects in the global fight against terrorism. The truth is that Australia—which, as a trading island nation, is heavily dependent on the aviation and maritime industries—has been lagging behind with respect to its responsibilities. As shadow minister for transport, the area where this bill is of vital importance, I believe this is a very important issue. It has been publicly raised on many occasions, both
outside and inside the parliament, by Labor members and senators.

Let me now deal with a few facts. Until now, when it came to foreign crews, the names on a ship’s manifest had been checked against existing databases—usually after the ship is berthed—to see if any of them were persons we did not want in Australia. Imagine that system—checking names more often than not after the ship is berthed. The damage could have already been done. The Howard government says that it is vigilant about the security of Australia. It has been walking tall and priding itself on its practical approach to securing Australia as a nation. Today’s debate proves that, yet again, the government is tired and lazy; it is playing catch-up on complex policy issues. The current system effectively means that there is no way of knowing whether the people on the ship are who they say they are and that no security checks are carried out on them in any case. That is the system that for far too long the Howard government has told the Australian community is satisfactory.

But there is a different system in place for our own seafarers, which is why I have not been able to understand or fathom the reasoning behind the approach adopted by the Howard government to date. There is one set of rules for foreign seafarers and a far more demanding and rigorous set of rules for Australian seafarers. I agree with those rigorous rules which have been applied to our own aviation and maritime workers in recent times. As is appropriate, Australian seafarers have been subject to the most rigorous and thorough security checks by the Australian Federal Police and ASIO, which are the appropriate agencies to carry out such security checks. That was part of the aviation and maritime security regime put in place by the department in close cooperation and consultation with the opposition in the last parliament. It also involved closer consultation from both sides with industry, including the workers’ representatives to the Australian trade union movement, who adopted in a cooperative way what were demanding policy issues. All involved in the development of those acts of parliament going to aviation and maritime security are to be commended for the effort that they put into developing the regime which currently applies in Australia.

There is one outstanding demand that the opposition raised with the government during that debate: doing something about foreign seafarers. Our own seafarers are required to hold a current maritime security identification card, similar to those used to clear workers in our airports. That is something the opposition supported. Aviation security identification cards certify that the holders are people of good character and good background who can work in security sensitive areas. This is an exceptionally important security measure and the Australian public can rest assured that they are in safe hands when in Australian airports.

Unfortunately, the same cannot be said about the way this government has handled maritime security. As my colleague the member for Brisbane and shadow minister for homeland security recently said—and I think he put it exceptionally well:

... the Howard government hand out permits for those flag of convenience crews like it was a Friday night chook raffle at the local pub. That says it all: ‘If you want one, you can have one. Don’t worry about us; we are not going to do a thorough security check as to your background. We are not particularly worried about foreign crews, about whom we know nothing, coming to Australian ports.’ These foreign crews are sometimes crewing vessels carrying ammonium nitrate, which, if not handled correctly and safely, represents a potential time bomb for the Australian com-
The Howard government is to be condemned for its neglect. This bill is here today because of demands by the opposition over an extended period. It also represents what the Australian community expects and what the Australian maritime industry was prepared to accept long ago. Foreign crews and their families will now be quite appropriately required to make a formal application for a visa before coming to Australia. This bill will create a new maritime crew visa to replace the current special purpose visa and other visas currently in place, which were subject to corruption and rorting—but that did not worry the Australian government. Importantly, if this bill is carried by both houses, it will result in each foreign crew member and the spouse and dependent children of such a crew member being subjected to security checking before a visa is granted. Mr Deputy Speaker, as you have said on numerous occasions in the House and in the Main Committee, it is about time. It is long overdue.

But the opposition, as reflected in previous speeches by my colleagues today, has a very firm view that there is much more that still needs to be done when it comes to Australian maritime security. I join my colleague the member for Watson and shadow minister for immigration in supporting his second reading amendment condemning the government for its failure to provide necessary maritime security and, in doing so, creating a security environment that leaves Australians exposed on a number of fronts.

That is what the debate is about: the fact that the Howard government for far too long has tolerated a situation in which we, as a community, have been exposed unnecessarily to weaknesses in our antiterrorism regime. The Howard government is also to be condemned for its failure to provide the right policy and regulatory framework for a strong Australian shipping industry. We are a trading nation, heavily dependent on our exports of goods and services. Central to our economic future are viable and safe maritime and aviation industries.

We will continue to bang on, in this parliament and in the Australian community, about the misuse of ships of convenience by the Howard government. Ships of convenience were embraced by the Hawke and Keating Labor governments on the basis that they were about supporting Australian industry. We also accepted that in some instances Australian crewed vessels were not available. So it was then a question of how to develop a practical system which worked to the benefit of Australian industry and job creation. That is why we put in place, and used sparingly, single and continuous voyage permits as a measure to handle peak shipping demand periods. That is what it was about.

That is the system that the Howard government confronted when it was elected in March 1996. But unfortunately, on election, the Howard government’s ideological approach to shipping in Australia was about exporting Australian jobs. It had one objective in mind: it was hell-bent on destroying the Australian maritime unions. It was not prepared to accept that over the previous 13 years those unions, on behalf of their workforce, had confronted huge change. The unions understood that for the coastal and international shipping industry in Australia to survive they had to be competitive, and that meant a proper cooperative dialogue between government, industry and maritime unions to create an environment where we could compete internationally and domestically.

But the Howard government, in its extreme campaign against the rights of Australian workers, has used single and continuous voyage permits to replace Australian ships and Australian seafarers on a routine basis. It...
has done so without any proper consideration. It turned its eye away from the main game. In embracing single and continuous voyage permits, it accepted a system of foreign crews to the detriment of Australian jobs, which effectively exposed us on the security front.

On the question of Australian seafarers I want to say that we once had a proud Maritime College in Tasmania. It was a college that prided itself on training young Australians and created terrific career opportunities in the seagoing industry. The truth is that in the 21st century our Maritime College in Tasmania has had to focus more on overseas students for export earnings than the training of Australia’s young—our best. In doing that they have denied young Australians employment opportunities in a terrific industry. The government are responsible not only for exposing our nation to major security risks but also for ripping apart the Australian Maritime College and undermining decent training opportunities for young Australians. They are to be condemned on all fronts.

These are just a couple of examples of the failures of the Howard government to ensure that, as required by law, all ships do the right thing by Australia. What is security identification about in terms of crewing? It is about all ships advising details of their cargo and crew 48 hours before they reach an Australian port. What is wrong with that? It is not as if Australia is less than 48 hours from the major shipping ports of the world. It is a fair request by the Australian government. I raise this issue because last year information given to the Senate informed the Australian community that just 67 per cent of ships coming to Australian ports actually complied with that fundamental requirement. A third of ships simply did not comply with the law, and the Howard government, yet again, did nothing about fixing this problem.

Half of those ships did not inform authorities about their cargo and crew until they had actually berthed. That is an amazing situation. ‘Come in; we’ll open the gates. Tie up. We don’t know who’s on board, and if you do damage on the way in, so what? It’s not our concern because we are more concerned about destroying maritime unions and the Australian coastal international shipping fleet. If you endanger the Australian public on the way through then so be it, because ideology counts more than jobs for Australians and doing the right thing by the Australian community.’ I simply say that it is too late, then, to act.

The Howard government are exposing our maritime points of entry to the hazards of foreign crews handling dangerous goods like explosive grade ammonium nitrate, to the potential for terrorists to smuggle explosives and weapons into this country and to the potential for other criminal activity, including drug running, to run riot—to the detriment of the Australian community. Why haven’t they acted? They have turned a blind eye to those serious threats to the wellbeing and economic prosperity of Australia.

I am also concerned about another problem. I turn to the lack of commitment by the Howard government to work with industry and the maritime unions to ensure that well-trained, highly skilled Australian seafarers maintain their pre-eminent role in a growing export opportunity—the LNG industry. It was appropriate—albeit because of government interference—that we signed major long-term LNG contracts with China. But the truth is that, because of interference by the Prime Minister and pressure placed on the private sector, the costs we have reaped from those exports were less than what we could have achieved. The Prime Minister was more concerned, as usual, about his political hide at that particular point in time, and he wanted
a huge export contract to take pressure off him.

Guess what else he did in negotiating and pressuring the private sector about that contract? He not only sold Australia short on the issue of export earnings in terms of the price we actually achieved but also effectively neglected the proper process of ensuring that some Australian seafarers were employed on those ships taking that very valuable cargo to China. If you have a look at the contracts, you see that there is no mention of Australian seafarers. So here we are exporting this highly valuable product, in a world that is worried about energy security, to nations such as China, and there is not one job for Australian seafarers. This government wants to say to the Australian community in the lead-up to the next election: ‘We care about jobs. We can handle the issue of security.’ The facts tell a different story.

For over 25 years—and this is what the government should have been thinking about in those LNG contracts—the continuity of operations agreement between the North West Shelf venture and the MUA has ensured the safe, reliable and on-time delivery of LNG cargoes to customers around the world, particularly Japan. The agreement has served industry well and has served Australia well. It is about doing the right thing by all. It is one of the strengths of the Australian LNG industry, which is also going to grow in importance in the foreseeable future.

We all know that Australian seafarers are properly trained and skilled. They are skilled in pollution control, the safety of life at sea, dangerous goods handling and storage, and so on. You know the issues as well as I do, Mr Deputy Speaker Hatton. But we do not have the same degree of confidence in the current regime when it comes to foreign crews. We are already exposing our maritime points of entry to the safety, security and environmental hazards of foreign crews handing dangerous goods like explosive grade ammonium nitrate without any knowledge as to their training and skills in this area. I would be concerned if Australian involvement in the LNG transportation task is weakened and replaced with further flag of convenience ships because I do not want to see this risk extended to the LNG trade.

In conclusion, Australia’s reputation as a reliable LNG supplier is at stake because of government policy on flag of convenience vessels. This is important for the security not only of our ports but also, importantly, of our customers’ ports. They want reliability and security of supply. That is the key to signing contracts in a tough global world. The second reading amendment has a practical focus on the weaknesses of the Howard government on issues of vital concern to the Australian community. It is about Labor supporting the step forward this bill takes in improving security checks on foreign crews. Labor would also like to see the minister and the department doing much more to improve maritime security in this country and to maintain a strong Australian shipping industry based on creating jobs for Australians. That is what this is about: guaranteeing employment and training opportunities for Australians, something the Howard government is not concerned about. All it is doing at the moment is living off the back of the wonderful resource boom in which Australia is doing so well.

So I commend the bill to the House but in doing so ask the Australian community to have regard to the second reading amendment moved by the opposition, because it rams home to this government in no uncertain terms that it has only done part of the job, as usual. It is a tired, worn-out government and it is time for a change. I say in conclusion that these changes are long overdue.
Mr BEVIS (Brisbane) (5.56 pm)—It is a pleasure to follow the member for Batman in this debate on the Migration Amendment (Maritime Crew) Bill 2007. I think the shadow minister for transport has in the last 20 minutes set out a very clear case for a change of government and a comprehensive plan for dealing with the transport industry, particularly maritime transport, which is sadly lacking from the current government. The bill before us is a small—indeed, far too small—step in dealing with the issue of foreign crews coming to Australian ports on maritime vessels. It establishes a new visa for the purpose of maritime transit only. The measures in the bill are unexceptional and supported, but it is a small step that goes only a tiny way towards dealing with the really important issue associated with this.

We do not need another piece of administration, another piece of red tape or another piece of paper for the bureaucrats at the immigration department to deal with. That is not why the government should be doing this—although I have to say that it will accomplish little else. We need a special visa for people who are on foreign ships coming to our shores and ports because there is a problem of border protection. For years Labor has been arguing that the current system is flawed and that we need to do something about it. This bill, I am sorry to say, makes barely a dent in that cause.

This is in fact the fifth bill that the parliament has dealt with today. Where are the government speakers? Where are the members of the Liberal and National parties? This is the fifth bill today we have dealt with in this parliament, and the total number of Liberal and National Party members who have spoken today is five. They can muster barely one person per bill. The level of arrogance and disdain this government now shows, not just to the people of Australia but also to the parliament, is palpable.

It is not just today. I invite people to go through the Hansard record of recent weeks and have a look at the arrogance of the Howard government. They no longer think that this parliament should even be a chamber for debate. They no longer feel the need to have members of the Liberal and National parties bother to come into this chamber and explain why the bills they are voting for are good and adequate bills. They do not even deign to grace the parliament with their presence during debates of this kind. This is in fact an important issue. I note that the member for Mallee, John Forrest, is in the gallery. He is at least observing if not participating in this debate. But it is a crying shame that members of the government do not even think it is worth participating in debates of this kind.

As I was about to say, this is an important matter. We are talking about border security at a time when that security is as much a part of our national wellbeing as national security has traditionally been regarded. In a world in which non-state terrorism presents a threat globally, ensuring that our borders are not porous is important to all of us. That is what this bill should be doing, but it does not. What this bill does is to create a bit more red tape. It is a good thing to have a special visa for people who come to Australia as seafarers, but let us just have a look at how this operates. There is no security vetting of the people involved here. These visas are going to be provided to people not because we know they are who they claim to be, not because there has been a police or ASIO check of their background, not because we know they are not part of a terrorist network, but simply because we know they are on the crew of a vessel coming here for work purposes. This in no way will assist in making Australia’s maritime borders more secure.

I wholeheartedly support the second reading amendment that has been moved by my colleague the shadow minister for immigra-
tion, because it sets out the folly of this government’s approach to these matters. This government has paid little regard to the economic welfare of the Australian maritime industry. It has paid little regard to the security of Australia through our maritime borders. It has been far more interested in an ideological campaign to attack the Maritime Union and the seafarers of Australia. I think that is one of the reasons why this government, like no other before it, has handed out permits for foreign crewed vessels not just to come to Australian ports but to carry the coastal trade. This has been a major problem for the industry. But leave that aside in the context of this debate—this is a major issue of national security.

We have a situation in which Australian seafarers are required to undergo rigorous and invasive security checks. They have to do that in order to get a maritime security identity card, an MSIC, and that is totally appropriate. On this side of the House, Labor members support the need to have security checks done on those who work in these important, sensitive areas, and clearly those involved in our ports, borders, airports and the like are in sensitive areas. Australian workers who want to become seafarers are obliged to undergo very thoroughgoing invasive checks. To put this into some perspective, these are checks that typically would involve not just the normal cursory police overview; the Federal Police do a thorough check of individuals and their backgrounds, and ASIO would also be involved in ensuring that the people to whom these security passes are given are fit and proper people with whom there are no concerns. That is the standard we apply to our own citizens. But, if you happen to be a foreign citizen, no such investigation is undertaken. If you happen to be a foreign citizen, this bill will allow you to get a visa, come to Australia and enter Australian ports without ever undertaking any security check remotely like the security check that Australian seafarers are required to undergo. That seems, I am sure, to all fair-minded Australians to be an unfair, unbalanced process, and yet that is exactly what the Howard government has done.

But it is worse, because we do not just allow those foreign workers on foreign vessels to come here without undergoing the same security checks we demand of Australians; we then let them undertake coastal freight trade around the Australian coastline—and not just any freight. We allow them to take explosives, and we allow them to take dangerous chemicals. I have lost count of the number of occasions on which I have raised in this parliament my concerns about that matter, including the case, about 18 months ago, of a foreign flagged vessel coming to Gladstone when the then Leader of the Opposition Kim Beazley and I stood at the port conducting a press conference. On board that vessel, which was foreign flagged, foreign crewed, was a very large quantity of ammonium nitrate. Ammonium nitrate is a very dangerous, potentially explosive substance. It has been the chemical of choice for terrorist bombers for many years in many parts of the world. The Australian government have happily allowed foreign crews that they know nothing about to carry explosives of that kind around our coastline. They think that is an acceptable procedure when, at the same time, an Australian wanting to do that would have to undergo those rigorous security checks to which I have referred, and they would have to hold a maritime security identity card. But no such card, no such check, is demanded of those foreign crews.

The situation we have seen with this government is not just its failing to legislate—or its failing to fully legislate, as this bill fails to fully legislate to deal with the concerns that we on this side of the parliament have raised—it is its failing, even when it legis-
lates, to implement matters. There is a requirement for ships coming to Australia to provide details of cargo and crew 48 hours before they arrive in Australia. In fact, they do not. Indeed, the most recent figures show that the situation has got worse, not better. My memory is that it has grown now to about 15 per cent of ships that do not provide details of their crew or cargo as required two days before arriving in Australian ports. What does the Australian government do about that? It does absolutely nothing. So we have a law that is a good law, but the government just fails to enforce it.

This matter was raised a couple of years ago by many members in the Labor Party, including me but others as well, and in the 12 months that followed government inaction has seen this problem get worse, not better. It is hard to believe that any government could do that. But to have a government like this one that likes to talk about security as often as it does, a government that never knocks back a photo opportunity if there are military personnel to be seen, a government that puts the best political spin it can on all security debates but in the process ignores the real security interests of Australia, is the height of hypocrisy. It is hard for those involved in the industry to understand why a government that talks so much about security in fact does so little.

We have ships that come to Australia that do not even tell us what their cargo or crew is until after they have got here. You do not need to have a keen imagination to understand the threat that presents. By the time the ship has come to port, if there are people on board with ill intent, if there are explosives or other chemicals on board that are dangerous, they do not actually need to wait until they get to the harbour to cause a problem. But of course they do get to the harbour. They get to Botany Bay. They pull up in our largest city without ever disclosing who their crew is or what their cargo is. That is an appalling situation. It is not a lot better when they do tell the government—when they do tell Customs—because what happens is that the master of the vessel provides details of who is in the crew. Frankly, Customs would not have a clue whether they were who they claimed to be or not. They may be those individuals or they may be completely different people.

All of this is a worry. It is a bigger worry, I have to say, when you contemplate that in our corner of the world we have the worst incidents of piracy on the planet. Just to our north-north-west, in the last year for which statistics are available, there were two acts of piracy every week on average. It is thought that most of those acts of piracy were conducted by criminals for profit. But we should not be so lax or comfortable as to think that terrorists do not also understand the potential that that provides. The islands from which those pirates operate also happen to be the same areas in which Jemaah Islamiah and Abu Sayyaf are known to have operatives and people who are sympathetic to them. It is not beyond the realms of possibility—although I hope it is not probable—that those pirates, acting on behalf of terrorists, could seize a vessel and then use it for their own purposes. Indeed, I know countries in the region are deeply concerned about that possibility and are looking to take steps about that possible threat.

Are we doing that in Australia? No, we are not. We are passing laws that we do not implement, such as the requirement to provide details of crew and cargo 48 hours before arriving, or we are passing half-baked laws that do not actually fix the security problem, such as the bill before us at the moment. This government has handed out permits for those foreign crewed, foreign flagged vessels with gay abandon. I have described it in the past as the government
handing them out like tickets in a Friday night pub chook raffle, and that is pretty much what it is. Just look at the statistics. They have skyrocketed under this government. It does not need any probable reason to do it. You ask for a permit and this government will give you one. Will it check that the foreign crew and the foreign flagged vessel are up to standard, that the people are who they claim they are and that they are not security risks? No, it will not. It is an appalling state of affairs, and the creation of this particular visa will not solve that problem.

The Howard government’s performance in this area of maritime security has been one of indifference and arrogance. That indifference and arrogance is replicated in this chamber by the absence of members of the government who do not even think that it is worth turning up to debate these matters. As I commented earlier, we have dealt with five bills today in this parliament. For every one of the bills, the government could find one person and one person only. That is a disgrace. The Australian people should be told about that. It really is an affront to the people of Australia and to this parliament. But it is typical of an arrogant government that has simply been around for too long. I could not have agreed more with the member for Bateman when he concluded that this government has been here too long and is too arrogant and that it is time it went. Later this year, that is exactly the verdict that I think the people of Australia will reach.

Ms Hall (Shortland) (6.12 pm)—I must say that I agree with what the previous speaker had to say about the government’s attitude. It is very disturbing, as I am standing here in this House to speak on what I believe is an extremely important piece of legislation and on which we have had five members including myself speak, that the government could only find one member who was remotely interested enough to put his name down to speak. The Migration Amendment (Maritime Crew) Bill 2007 is extremely important legislation that goes to the very safety of our shorelines here in Australia. I have spoken many times in this House on maritime issues, maritime safety and protecting our coastline. Shortland is a coastal electorate and, as such, I believe that it behoves me to raise issues that affect the security of the people whom I represent in this parliament.

I see this legislation as very disappointing. I think it has taken the government a very long time to even come to the position of introducing this legislation, which is half-baked and will not secure our coastline. It is legislation that treats foreign mariners in a different way to the way it treats our own Australian mariners. It is an absolute disgrace, and one of the legacies of the Howard government when we look back will be that it has overseen the destruction of the Australian shipping industry, an industry that we should be working to grow here in Australia because it is a source of many jobs and of great knowledge that we can sell to overseas nations. Instead of that, the Howard government has allowed our seafarers and merchant seamen to lose their standing within the industry worldwide. It is an industry that has faltered under the Howard government and one that should have grown. I think the government members need to hang their heads in shame.

I intend to go through the legislation before us tonight, then I will turn to the amendment and debate some of the issues that I believe are extremely important and that link particularly to the amendment. Currently, foreign non-military maritime crews and their families are not required to make a formal application for a visa before coming to Australia. That in itself is a condemnation of the government. Special purpose visas are currently granted by operation of law. The
process does not permit security checks to be conducted before the crews of these ships are allowed to enter Australia—and I will talk more about that in a moment. It creates a new class of temporary visa to be known as a maritime crew visa.

The application process for the new visa will enable crews to get security clearance before they enter Australia. Shouldn’t that be happening now? At a time when terrorism is a global threat, we have been prepared to sit back and take a second-class approach to the security of overseas crews when they enter Australia. The visa can cease by declaration where it is considered undesirable for a person or a class of person to travel in, enter or remain in Australia. The bill also includes express powers to revoke such a declaration to allow for situations where additional information may come to light about a person’s suitability to travel and remain in Australia.

Looking at the history of this legislation, on 22 December 2005 the government announced $100 million for a maritime crew visa system for all international seafarers visiting Australian ports after July 2007. That was December 2005, and here we are at the end of February—we may as well say March—debating legislation that comes into force in July this year. This shows very little commitment to security and very little commitment to ensuring that international seafarers have some sort of security check, albeit a security check that will be nowhere near the level of security check that Australian seafarers undergo.

A large component of the money will go to IT systems, and there will be 19 additional regional seaport officers through the Customs department. I understand Customs will receive $39.5 million for 66 new Customs officers. The regional seaport officers will link into the IT system to check records and sea crew movements.

The maritime crew visas will replace special purpose and other visas currently granted by operation of law to foreign crews of non-military ships. The granting of maritime crew visas will require a formal application to be made and will allow each foreign crew member, spouse and dependent child of such a crew to be subject to a security check before being granted the visa. I emphasise again: that security check will be nowhere near the level of security check that Australian seafarers undergo.

The bill will create a new class of temporary visa called a maritime crew visa. This visa will be valid only for travel and entry to Australia by sea. Maritime crew visa holders must enter Australia at a proclaimed seaport unless an authorised officer authorises entry in another way or in an emergency situation. Maritime crew visas will cease, as I have already said, if the minister declares that that should be the situation.

I turn now to the amendment, which I think encapsulates all the concerns that I have surrounding this issue. The first point in the amendment goes to the issue of the use of single and continuing voyage permits for foreign vessels with foreign crews and emphasises that these foreign crews do not undergo proper security checks. The use of CVPs and SVPs has burgeoned under the Howard government. This has led to a downgrading of the Australian shipping industry. It has led to a situation where our shorelines are less safe than they were before, and it will take years to turn this around.

It is interesting that, whilst the Howard government has allowed this situation to develop, countries like the United Kingdom and the United States have been investing in developing their own maritime industry. They recognise the importance of having a strong maritime industry. In Australia, an island nation, I think we need to recognise
CHAMBER

that the waters surrounding Australia are highways, like the highways that pass through the country. They are highways with ships circumnavigating the country, and I do not think the Howard government has recognised this.

The SVPs and CVPs are issued to foreign owned ships that sail under a foreign flag and are crewed by a foreign crew. I visited these ships that have been issued with CVPs and SVPs within the waters of Australia. The one that I often talk about is the Angel III. I visited it in the port of Newcastle. That ship sailed under a Maltese flag, it was crewed by a Burmese crew, and the captain of the ship was Greek. I asked the captain of the ship whether the crew spoke English, and he said, ‘No, they don’t.’ Then I looked around at all the safety signs on the ship and I found that they were written in English. I also asked the captain if the crew spoke Greek, and he said, ‘No, they don’t’—and any other signs that were around the ship were in Greek. I put it to the House that this hardly demonstrates safety on the ship and it demonstrates that there is very poor communication on these ships.

At a time when security is a major issue, and when Australian seafarers and maritime workers are required to obtain maritime security identification cards, it seems rather strange to me—and somewhat incongruous—that foreign seafarers are not subjected to the same level of security. They are not subjected to any security at the moment. The requirement is that 48 hours notice for crews and cargoes be given before a ship enters the port. It will not be a surprise to members on this side of the House that that requirement is only adhered to in 67 per cent of cases. That means that 33 per cent of the ships entering Australian harbours do not adhere to that rule. Fifteen per cent do not advise about the crew or the cargo until they actually berth. From my perspective, that is a major security issue. There is obviously no effective security screening of those crews that enter Australian ports. I believe that this has enormous security implications for us as a nation.

If we go back to the Angel III, which I spoke of a moment ago, the Burmese crew who were on that ship appeared to me to be extremely intimidated by the captain of that ship. I would argue that there is absolutely no way that we could ensure the safety and security of the people in that port. These ships carry very dangerous substances—for example, ammonium nitrate—and, while they are in port and as they are travelling around the coastline, they have the potential to create an enormous devastation. I would argue very strongly that that is a grave security risk to our nation.

Another example that I often use is the MV Wallarah, which was a little ship that used to take coal from Catherine Hill Bay to the port of Newcastle. It was a wholly owned Australian ship and was crewed by Australian seafarers. It was a ship that we in the Hunter were very proud of. Unfortunately, under the Howard government regime, the MV Wallarah is no longer an Australian owned or flagged ship. It now sails under the flag of another country and is now crewed by overseas seafarers, yet these seafarers no longer have to undergo the security checks that our Australian seafarers underwent.

Any reasonable person would ask why a government would allow an industry that is so vital to an island nation such as Australia to be destroyed. I can only come up with one answer, and that is that this government has destroyed our Australian seafaring industry and our Australian shipping industry purely and simply on ideological grounds. This government is driven by a hatred of unions, and on its top-of-the-pops list is the MUA. The government has a great hatred for the MUA. This government has allowed our
Australian shipping industry to be destroyed simply because it has sought to destroy the MUA by allowing these CVPs and SVPs to be issued to foreign crewed ships and ships that sail under foreign flags. As I demonstrated earlier when I talked about the Angel III, they can all be from different countries—for example, Malta, Greece and Burma. I think this government really needs to look at what is good for the nation and what will benefit Australia as a whole. The thing that will benefit Australia is a shipping industry that is strong.

A number of inquiries have been conducted into the shipping industry. My predecessor in this parliament, Peter Morris, was Chair of the Standing Committee on Transport, Communications and Infrastructure when they conducted an inquiry into the shipping industry and tabled in this parliament a report called Ships of shame. That report demonstrated the conditions that those foreign seafarers work and live under and the level of respect that they have. The report showed that these crew were definitely inferior to our Australian seafarers. I put to the House tonight that these crew are much more likely to be involved in terrorist activities than any Australian seafarer.

I would argue that, if the government is really serious about security in our ports and security on our coastlines, it needs to require the same level of commitment and the same level of security clearance from overseas seafarers as it requires from Australian seafarers. I would also argue that, if the government is serious about security, it should invest in the Australian shipping industry and it should move away from destroying the Australian shipping industry through the issuing of CVPs and SVPs. Whilst ships travelling around the coastline of Australia are travelling around under those permits, we cannot ensure the safety of our coastlines.

(Time expired)

Mr Lindsay (Herbert—Parliamentary Secretary to the Minister for Defence) (6.32 pm)—I am extraordinarily surprised at the amendment that the Labor Party has moved to the Migration Amendment (Maritime Crew) Bill 2007. I enjoy listening to the member for Batman when he makes his contributions—and earlier today he made an excellent contribution in relation to airport security—but his contribution on this bill was, I thought, way off track. I thought it was ideologically driven and not driven by practice and good sense.

The Australian Labor Party has been very concerned about what is happening to the unions in the shipping industry. But, from my perspective, all I see is significant improvements in efficiency, significant improvements across the wharves and good things for Australia. The problem is that you cannot live in the past. The world continues to change and we continue to see the need to make further efficiencies. But, at the same time as making further efficiencies, both employer and employee can get a good outcome—you can get a win-win situation. That is what has happened on Australia’s waterfront and that is what is happening to maritime shipping.

The opposition’s second reading amendment talks about ‘careless and widespread use of single and continuing voyage permits for foreign vessels’, ‘permitting foreign flag of convenience ships to carry dangerous goods on coastal shipping routes’ and ‘failing to ensure ships provide details of crew and cargo 48 hours before arrival’. I do not see any merit in this amendment whatsoever. This bill—which, of course, is a migration amendment bill—produces statutory reforms that are needed to strengthen the integrity of Australia’s borders. The people of Australia want that. These statutory reforms are needed to strengthen the integrity of Australia’s borders.
Mr Byrne interjecting—

Mr LINDSAY—Are you sure?

Mr Byrne—Yes.

Mr LINDSAY—Thank you. So we have an agreement?

Mr Byrne—Yes.

Mr LINDSAY—I understand that we have come to some arrangement and agreement with the opposition, and I would like to indicate that I certainly will be supporting this bill when it moves to a vote in the House of Representatives later this evening.

Mr BYRNE (Holt) (6.35 pm)—We are working through this, and I thank the government member for that contribution. We are conducting this debate on the Migration Amendment (Maritime Crew) Bill 2007 and the measures that have been put forward by the government—which are supported with an amendment moved by the opposition—under the framework of September 11, Bali and the changed security environment. It is clear that the changed security environment poses significant risks for Australia.

As I understand it, the bill effectively indicates that, currently, non-military maritime crew and their families are not required to make a formal application for a visa before coming to Australia and that special purpose visas are currently granted by operation of law. This process does not permit security checks to be conducted before the crews of these ships are allowed to enter Australia. This is an issue that federal Labor has been prosecuting, as I understand it, for some period of time.

The bill that we are debating before the House creates a new class of temporary visa—the maritime crew visa. The application process for the new visa will enable crews to be appropriately security cleared before they enter Australia. Whilst we support the bill, federal Labor believes that, in the interests of improving it, some issues need to be addressed. These issues include permitting foreign flag of convenience ships to carry dangerous goods on coastal shipping routes and the failure to ensure that ships provide details of crew and cargo 48 hours before their arrival. The last issue is quite important.

Why is it quite important? I will tell you why. The November 2001 paper released by the government on maritime security says:

> The November 2001 paper released by the government on maritime security says:

> The Australian government began working closely with the international community and the International Maritime Organisation to contribute to the development and implementation of the International Ship and Port Facilities Security Code, which came into effect globally on 1 July 2004.

> Here is the interesting bit:

> As Australia has just over 12 per cent of the world shipping task and with the value of Australia's seaborne trade being about $188 billion per annum, any disruption and destabilisation of seaborne trade would have serious economic consequences.

In the government’s own words, that provides a very interesting framework and indicates that the government would be working very rapidly to address the concerns that have been raised in a spirit of cooperation by the federal Labor Party. However, these concerns have not been dealt with. We have detailed some of the effects of this legislation, but there are still a number of concerns relevant to our national security which have not been addressed. For example, Labor have warned of the massive security danger posed by explosives like ammonium nitrate being carried by foreign crewed, foreign flagged vessels around our coastline. We cannot have a debate of this nature without looking at these issues; they are an essential part of the debate.

In evidence given to a 2005 Senate committee that was looking into this issue, some
startling admissions were made by the government’s own representatives. In answer, for example, to questions about the issuing of permits to flag of convenience vessels to ply their trade around the Australian coast, DOTARS—the Department of Transport and Regional Services—advised the Senate that, when a ship indicates its intention to come to an Australian port, there is not an additional check looking at particular seafarers when they consider the approval of a single voyage permit or a coastal permit because, in effect, that has already been done when the ship came to Australia. Let me restate an important part of the evidence DOTARS gave. They said that there was not an additional check looking at particular seafarers when they consider the approval of a single voyage permit—that is, the department does not care about the security background of the crews of foreign ships. Most of them come from flag of convenience nations where there is little or no regulation governing either the quality of the ship or the seafarers—no check is done.

Let us look at what al-Qaeda is attempting to do in terms of creating massive disruption to nations, to the economic infrastructure of nations and to the psyche of nations. It is believed that al-Qaeda controls nearly 80 front companies in 50 countries and a large number of ships which can be used to conduct attacks. Al-Qaeda has a proven track record on this. A report on one of the more famous maritime incidents, which occurred on 12 October 2000, describes how a small boat rammed the port side of the USS Cole in Aden and how the target was a symbol of US power and influence. The USS Cole was easily attacked by unsophisticated means. The method of delivery was crude and had devastating consequences. Al-Qaeda is looking at this method of attack to cause damage to our national security. When we look at the methods of attack being used by al-Qaeda and associated organisations, what concerns us on this side of the House is that the suggestions that we have put forward in the national interest are not being taken into account.

Coming back to DOTARS and the issuing of permits, the department said that they did not think it was part of their job to check the crews of foreign vessels before handing out a permit. As the member for Brisbane has pointed out previously in the House, the government’s approach to handing out permits to foreign flagged ships, particularly flag of convenience vessels, is like handing out tickets for a Friday night chook raffle—and there is evidence to prove it. The department told the Senate that they did not think checking the background of foreign seafarers was something they needed to bother about.

Most countries of the world think it is something that they should bother about. Most countries in the world understand that there is a real and growing threat from ships being used for terrorist and illegal activities. We can see this when we look at what happened to the USS Cole. One of the defence and international security magazines describes an event at a southern Italian port that shook the very foundation for the rapid growth of world trade over the past 50 years. It said:

An Al-Qaeda terrorist was found inside a comfortably equipped freight container, carrying plans of airports and an aviation mechanic’s identity and security passes. Container technology that has transformed … trade in legitimate goods can easily be used for the illicit transport of people and material.

This mechanism, albeit a crude one, is being contemplated and used to affect our national security.

For the benefit of the House, I want to recap some of the points that have been made about dealing with the threat that this form of terrorism presents. At the moment, as I said,
the government happily allows foreign crewed vessels to carry thousands of tonnes of ammonium nitrate around our shores and does not know whether members of these crews are criminals or terrorists because of a lack of proper security checks being done on them.

I find that inconceivable. I am Deputy Chair of the Parliamentary Joint Committee on Intelligence and Security, which examines the security threat to Australia. Looking at it from that perspective and given that this is such an obvious issue that should be addressed and has not been, you question the integrity of the government on national security. They talk the talk—the second reading speech was a very interesting discussion about what they are doing to improve maritime security. But we point out to this House and to the Australian people that there are significant gaps in Australian security as a consequence of these measures not being adopted. You cannot allow a very large vessel filled with ammonium nitrate with an indeterminate crew to enter a port and have nothing done about it.

We know that the rules are not the same for Australian ships and crews. As members of this House will know, Australian seafarers are obliged to undergo quite intrusive security checks. Federal Police and ASIO checks are done on all Australian seafarers. The members of the MUA, the people who work on our waterfronts and our ships, undergo security checks that we in this parliament do not even put ourselves through and that most of our staff do not have to go through—although some ministerial staff might have to. The simple fact is that Australian seafarers must have a maritime security identity card, which they get only after the Federal Police and ASIO have vetted them and found them suitable. But this is not the case for foreign crews. I cannot accept an argument that we should not be undertaking measures to improve our security such as scrutinising the people who come onto our shores. Foreign crews can turn up on ships that we know very little about because they are flag of convenience vessels. The government takes little interest in their background—not so in the United States, I can tell you—and allows them to carry dangerous and explosive chemicals into our major cities and ports.

People think that it may not happen. But the fact is, as I said earlier in my speech, that it is being actively contemplated by terrorist organisations. They want to take the soft route, the soft option, the option that has not been thought of, the option that causes maximum disruption with crude weaponry. Ammonium nitrate is a classic weapon of choice for terrorists. We have seen the carnage that it can cause. There are a number of examples of where the threat of ammonium nitrate has been real. In 2005, the Pancaldo carried 3,000 tonnes of ammonium nitrate around the Australian coastline. Something like that could cause a disaster. Imagine that pulling into Melbourne port, for example, and exploding. It would be a disaster, a catastrophe for Melbourne—or for Sydney if it pulled into Circular Quay.

To put that into some sort of perspective, I will describe a case where a large quantity of ammonium nitrate exploded. I use the term ‘large quantity’ because ammonium nitrate is the chemical of choice for terrorists and a very small amount of ammonium nitrate was used to blow up the building in Oklahoma City. The example that I will use is one that the member for Brisbane has used in the past, but we need to graphically illustrate the nature of the threat that we face from these unscrutinised and unsupervised ships by showing what one ship can do.

Just after World War II, a French vessel called the SS Grandcamp was carrying about
2,300 tonnes of ammonium nitrate. In 1947, it exploded in Texas City harbour. The ammonium nitrate had ignited. The explosion from those 2,300 tonnes of ammonium nitrate was heard 150 miles away. Just imagine a ship carrying something equivalent to 2,300 tonnes of ammonium nitrate pulling into Melbourne or Sydney and igniting. It produced a mushroom cloud that rose to the height of 2,000 feet over Texas City. Think about Sydney; think about Melbourne; think about Adelaide. The locals thought that a nuclear war has started and that a nuclear holocaust was about to occur in Texas. So great was the devastation that the anchor of this particular ship, which weighed 1½ tons, was flung two miles from the site. It was found embedded 10 feet in the ground. That is the only known example of a large quantity of ammonium nitrate exploding on a ship.

But we know that it can happen. We can connect the dots. Ammonium nitrate is the weapon of choice for terrorists. We know that they will use devices like a ship floating in a harbour to create the maximum devastation to our country. So we have a problem. Ships carrying more than that amount of ammonium nitrate operate around the Australian coastline on a regular basis. They are not Australian vessels and they are not crewed by Australians—and I would love to know what the Americans think about this. We know little or nothing about the people who crew these vessels. These vessels are from flag of convenience countries, which make an industry out of not asking questions of merchant carriers. This should be worrying because, as the member for Brisbane has stated, it is a widely accepted fact that al-Qaeda either own or have long-term leases on between 15 and 18 vessels. It does not take a lot of imagination to see a circumstance in which one of those vessels might be used as a floating bomb. I and the member for Brisbane have made a number of comments warning of that particular threat.

To sum up, this bill has the government spending an amount of money. Around 650,000 people travel to and from Australia each year, with 90 per cent of them being from crews of visiting commercial ships. This is a small step in the right direction. What we do not have is a comprehensive plan—or the comprehensive series of security measures that Labor has been calling for for some period of time—to deal with an event that would cause immense devastation to this country. While we support this bill, we ask the government to start taking seriously our concerns. If they do, we may see this country’s national security—which the government prides itself on—being improved.

Mr ALBANESE (Grayndler) (6.51 pm)—I wish to speak to the Migration Amendment (Maritime Crew) Bill 2007, in particular to support the second reading amendment moved by my colleague the member for Watson. Labor does regard the measures in this bill as being a step forward. However, it does not go far enough in developing that comprehensive security strategy that is necessary. We know that around 600,000 maritime crew visit Australia each year. We know also from reports that there can be some real concern as a result of a lack of proper scrutiny of who is coming here and the circumstances.

In 2005 the Australian Strategic Policy Institute published what was a very comprehensive report that raised real concern about the arrangements that were in place for Australia’s security. The report was titled Future unknown: the terrorist threat to Australian maritime security. It particularly raised concerns about the lack of security for foreign flagged vessels carrying ammonium nitrate around Australia’s coastline. We know that ammonium nitrate could have a devastating
impact on our cities, yet we have no proper security and scrutiny of these vessels.

We know also that organisations such as Jemaah Islamiah and Abu Sayyaf have focused some of their attention on potentially engaging in a maritime terrorist attack. And of course we know, and were reminded by the Bali bombing, that indeed Australia is a target and that these organisations operate very close to our borders.

We also know that, in this region, the incidence of piracy is the highest of anywhere in the world. This raises real concerns. I think the government has failed, whilst creating this special visa class, in not developing a comprehensive security strategy. That is why the member for Watson’s amendment has been moved in this parliament. In particular the member for Watson’s amendment:

... condemns the Government for its failure to provide necessary maritime security and protect Australians, including:

(1) its careless and widespread use of single and continuing voyage permits for foreign vessels with foreign crew who do not undergo appropriate security checks;

(2) permitting foreign flag of convenience ships to carry dangerous goods on coastal shipping routes; and

(3) failing to ensure ships provide details of crew and cargo 48 hours before arrival”.

I have already referred to the concern with regard to foreign flagged vessels carrying dangerous goods into our city ports and around our coastlines. But it is also of concern because, as the Terrorism and Security Monitor report of July 2003 stated:

Ship security has grown into a big issue in the war against terrorism, according to the International Maritime Bureau’s Piracy Reporting Centre. Freighters carrying fuel or chemical cargoes could be hijacked and used in indiscriminate terrorist attacks on ports. During the first quarter of 2003, the number of reported cases of serious pirate attacks has increased to 103 from 87 a year ago. Vessels most commonly attacked were chemical and oil tankers, container ships and general cargo carriers.

The centre observed a disturbing change in the pattern of pirate attacks.

One of the concerns here is that the government has been quite prepared and extremely diligent in its preparedness to raise alleged security concerns with asylum seekers, but here we have a situation where it seems to be less concerned about the potential danger of real, large-scale security concerns that can be created by a failure to properly address these issues.

The issue of foreign flag of convenience ships also goes to the issue of Australian jobs. We hear a lot of rhetoric from those opposite about Australian jobs. Here we have a situation whereby maritime workers from this nation are essentially being undercut in terms of their wages and conditions if we have a laissez-faire attitude towards people working on flag of convenience vessels coming into this nation. We know that often these workers are kept in extraordinarily poor conditions and are exploited by companies and many of them are from extremely underprivileged backgrounds. The exploitation that has gone on means that they are victims themselves. So we have a bad result all around—we have Australian jobs being lost, we have Australian wages and conditions being undermined and we have an extraordinary level of exploitation.

The Maritime Union of Australia is a union that I think has a proud history in this country of standing up for the national interest. Many of those opposite are quick to dismiss the role of unions beyond just defending wages and conditions. Well, I think it is a good thing that the Maritime Union of Australia’s union colleagues who came before engaged in activity such as pointing out that it probably was not a good idea to send pig-
iron to Japan prior to WWII, because it would come back to us as it did.

The concerns that the union has expressed about the effectiveness of the maritime visa has a number of aspects. One is that it is essentially $1½ million worth of window-dressing on maritime security. There are concerns about the extent of the failure to deliver a proper maritime security benefit and concerns about the online application process. Certainly, it is unfortunate that the government has not even considered looking at the IMO convention No. 185, which would require all international seafarers to have a biometric identification card. This would of course prevent qualification fraud. Australia is, of course, a signatory to the FAL convention, the 1965 Convention on Facilitation of International Maritime Traffic. This convention allows for seafarers to travel without a visa between countries which are signatories to the convention. Therefore, there is concern about some of these arrangements and whether they go far enough.

Labor welcomes the Senate inquiry opportunity that will arise from this bill. It will be an opportunity for people in the industry to express concerns. We think that the maritime visa is a step in the right direction, but we would urge the government to adopt a much more comprehensive strategy.

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.02 pm)—I thank members for their contributions to the debate on the second reading of the Migration Amendment (Maritime Crew) Bill 2007, although I note that many of those contributions have been about matters outside the scope of the bill rather than about the substance of the bill itself. This bill creates the legal framework for a new temporary visa, to be known as the maritime crew visa. It will provide the crew of non-military ships with the legal authority to travel to Australia, enter by sea and remain in Australia in connection with work on their ships. The new visa arrangements will replace the special purpose visas that are currently granted by operation of law to the crew of non-military ships. Significantly, the application process for the new visa will enable crew members to be appropriately security cleared before a visa is granted.

It should be noted that the measures in this bill are not designed to single out maritime crew for more onerous security checking compared to other people. Rather, these measures are about placing the crew of non-military ships on the same footing as other visa applicants, all of whom have to satisfy certain security and character requirements before a visa can be granted. As with most other visas, the detail governing the new maritime crew visa will be set out in the migration regulations. Care will be taken to ensure that this regulatory framework accommodates as far as possible the needs of industry. For example, it is anticipated the new visa will be able to be applied for online, and there will be no charge for the visa. Shipping agents will also be able to apply for the visa on behalf of crew members.

There were a couple of suggestions made in the debate by honourable members opposite—for example, that there are currently no security arrangements for the crew of non-military maritime ships. Indeed, under the current special purpose visa regime, crew biodata are made available at the time a ship is about to arrive in Australia. The requirements vary depending on the length of the ship’s journey, from 12 hours before arriving to 96 hours before arriving. At this time, crew names are checked against the movement alert list before entry. So there is checking currently, but these new measures are more adequate than those that exist at the present time.
It has also been suggested that it has taken a long time to introduce this amendment. There have been no difficulties previously encountered when dealing with the maritime industry in Australia, but as a matter of prudence and to bring the maritime crew industry into line with Australia’s universal visa system it was considered appropriate to introduce a visa for maritime crew which involved a formal application process for foreign crew of non-military ships seeking to enter Australia. On that note, I find it interesting that the criticism of a delay in relation to this matter is accompanied by the decision of the opposition to seek to refer this to a Senate committee and therefore delay further a matter which generally they support.

In summary, the measures in this bill will help strengthen the integrity of Australia’s borders while being responsive to the needs of maritime crew and the shipping industry as a whole. I commend the bill to the House.

The DEPUTY SPEAKER (Mr Barrersi)—The original question was that this bill be now read a second time. To this the honourable member for Watson has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The 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.

Third Reading

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.06 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

CUSTOMS LEGISLATION AMENDMENT (AUGMENTING OFFSHORE POWERS AND OTHER MEASURES) BILL 2006

Second Reading

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

That this bill be now read a second time.

Mr BEVIS (Brisbane) (7.07 pm)—I rise to speak on the Customs Legislation Amendment (Augmenting Offshore Powers and Other Measures) Bill 2006. I would firstly like to note that Labor support the bulk of the bill and the general thrust contained within it. However, we are, at the same time, concerned about a number of aspects of the bill and we are hopeful that the government will take up the recommendations of the Senate Standing Committee on Legal and Constitutional Affairs, which has given this matter careful consideration.

Before I outline the problems Labor has with the bill, I will give a brief overview of the four schedules. This is an omnibus bill. Schedule 1 contains the meat of the bill: the new search and seizure provisions for Customs. These new powers essentially allow Customs officers, upon boarding a ship, to immediately conduct a search for weapons, for items that may assist a person to escape detection and for evidence of the commission of a particular offence. The search and seizure power will be automatic—that is, there will be no need for Customs officers to form a reasonable suspicion—that is, there will be no need for Customs officers to form a reasonable suspicion in order to access it. The types of searches that will be allowed include those up to a frisk search.

The new powers allow Customs officers to take and retain possession of goods and documents that have been uncovered during the search. In certain circumstances, items and documents confiscated during these searches may be used as evidence at a subsequent trial. These items and documents may
be used as evidence in a range of circumstances. Where the ship or aircraft is boarded in Australia, the seized materials may be used as evidence of the commission of an offence, either inside or outside of Australia, against the Customs Act, division 307 of the Criminal Code—that is, import-export offences—or an act prescribed consistently with the United Nations Convention on the Law of the Sea. Similar provisions apply to cases where the boarding occurs outside Australia, with the exception that the seized materials may only be used as evidence for the commission of an offence inside Australia. In addition, it may be used as evidence of the commission of an offence inside Australia’s exclusive economic zone against an act prescribed consistently with the UN Convention on the Law of the Sea.

I turn now to schedule 2. For the purposes of the Customs Act and in relation to the regime that governs customs brokers, a nominee is a person who, under the application process, is required to be nominated by an applicant. The nominee is then endorsed on the licence. Section 183CD provides a list of conditions which must be satisfied for a person to be eligible to be a nominee. Significantly, under the current section, a person can only be the nominee of one customs broker and the nominee must be a customs broker at the same place as the nominated customs broker. The amendments significantly simplify the requirements. They remove the requirement that a person can only be the nominee of one customs broker and the requirement that the person not be a customs broker at another place. The explanatory memorandum notes that this is due to the changing nature of the corporate customs brokerage field, which is moving towards freelance customs brokers as its nominees. The amendments would remove the requirement that freelance brokers may only act as a nominee for one brokerage.

Schedule 3 acts to formalise a four-year time limit on duty recovery actions and also to update the way the act deals with payments under protest. Under the Customs Act as it stands, there is a time limit of four years for the recovery of duty where the short payment of duty was the result of a Customs error. However, there is no time limit for the recovery of duty where the short payment of duty was the fault of the importer. The explanatory memorandum indicates that Customs currently maintains an unofficial policy of not pursuing the repayment of short duty where there has been a lapse in time of more than four years except in cases of fraud. This schedule will essentially formalise that arrangement and place it in legislation. Where the underpayment of duty has been as a result of fraud, however, the time limit will not apply.

With regard to payments under protest, the act as it stands does not allow payments under protest—that is, payment of duty where the amount of duty is disputed and may be subject to a review—for duty paid after the goods have been entered for home consumption. The committee report gives an example of how this may work. An importer pays the duty on goods. Customs later conducts an audit and finds that the duty has been underpaid. Currently, there is no legislative provision allowing for the payment of that duty to be made under protest. This schedule amends that. Finally, this schedule introduces amendments to provide for the obsolescence of the old COMPILE import declaration system and allows for more general issuing of payments under protest.

The amendments to the Customs Legislation Amendment and Repeal (International Trade Modernisation) Act 2001 allow Labor to highlight another promise broken by the Howard government. The trade modernisation acts contained a system for Australian business that would have allowed full duty
deferral by effectively setting up a 30-day trading account for businesses dealing with Customs. However, the passage of the Customs Legislation Amendment (Border Compliance and Other Measures) Bill 2006 this very week allows the government to renege on its promise to industry by setting up a ridiculous scheme instead of a 30-day trading account.

In this scheme, the industry must, on the 15th day of the month, pay the actual duty incurred, estimate in advance the amount of duty that will be incurred in the remaining 15 days, pay that amount, reconcile the estimate with the actuals the next month and then finally pay the difference. What a ludicrous scheme for a government that pretends to be a friend of small business. Instead of cutting red tape, the Howard government is forcing Australian business to adopt an administrative nightmare. This highlights the Howard government’s love of red tape and its shabby treatment of business. I believe that my colleague Senator Ludwig will move amendments in the Senate relating to that very practice. Schedule 4 is the final schedule in this bill. This schedule amends the act to make it clear that it is unlawful to provide misleading information to Customs through a SmartGate terminal.

Now that I have outlined the scheme of the bill, I will once again indicate that Labor broadly agree with the legislation and that we will be supporting it—although moving amendments in the Senate. However, there are a number of concerns which we have with both the proposed legislation and the manner in which the legislation was put together. Firstly, I would like to bring up the issue of lack of consultation on the legislation—as has been the case with other legislation in this portfolio. The issue of consultation was raised at the Senate Standing Committee on Legal and Constitutional Affairs inquiry into this bill by the Customs Brokers and Forwarders Council of Australia—a peak representative group of that industry. Their concerns specified that there had been a lack of consultation with them on a key part of the legislation—the alterations to the brokerage nominee eligibility rules that I outlined earlier. This is despite the fact that Customs apparently indicated to the CBFCA late last year that they would be consulted on the changes.

The response of Customs to this charge was that the consultations had not been necessary as the amendments proposed in this bill in that regard were uncontroversial, in their view. I can accept this, up to a point. I acknowledge that Customs and the responsible minister have been better in consulting on other schedules in this bill than their appalling record on consultation with stakeholders on previous legislation would suggest. But the problem is not the specific lack of consultation here; the problem is the continued lack of consultation on the part of Customs in terms of the legislation that it puts before parliament. It was only on Tuesday this week that we saw another Customs bill, the Customs Legislation Amendment (Border Compliance and Other Measures) Bill 2007, pass through the Senate, where we had serious concerns with a lack of consultation. The concerns were so great that the report of the Senate committee examining the bill stated that it was ‘not satisfied’ that the consultation process had ‘encompassed all interested parties’ and that ‘in more recent times, the process appears to have become fractured’.

As I have already said, serious problems have manifested themselves due to a lack of consultation on other pieces of legislation and other projects—including the infamous container management re-engineering project, which, I have to remind the House, saw a situation in which the government’s lack of consultation and incompetent management
very nearly brought Australia’s international trade to a grinding halt. That product of the lack of consultation is a reminder to us all in this parliament, but particularly government and Customs, of the need to consult broadly before legislation of this kind is pursued. But the point remains that there is something in Customs—and with their current minister—where it appears that, despite repeated lessons and warnings in parliament and by industry, they still fundamentally do not value consultations and still do not see them as an integral part of developing legislation and programs.

I will now turn to the matter of the new powers of search which will be granted to Customs officers under the proposed bill. As I have already indicated, these powers will give Customs officers the ability to search persons on ships that have been boarded. The agency provided a number of examples to the Senate committee examining the bill, of real world scenarios where these powers could have been used to help protect Customs officers from threats and to preserve evidence. However, Labor was concerned about the extension of the law because of the further potential application of a regime that did not require an officer to form a reasonable suspicion but would instead allow officers to search a person as a matter of course. This, in our view, could be a major problem for tourist-friendly industries like cruise ships and regular scheduled flights while not in Customs controlled areas.

The new powers set out in this bill have been provided to Customs, but the government is still keeping Customs beyond the reach of the Australian Commission for Law Enforcement Integrity. This is troubling in the light of the range of new powers that are being handed over to Customs in this bill and a range of other bills, some of which I have mentioned already. In each case, you have Customs being given more and more law enforcement style powers. In this bill, you essentially are giving Customs the right to search boarded ships for evidence that may, in limited circumstances, be used to prosecute persons for certain crimes. The continued expansion of these powers underscores the strong need for Labor’s policy to subject Customs to the scrutiny of the Australian Commission for Law Enforcement Integrity.

Arising out of the Senate committee’s considerations were two sensible recommendations for amendments to the bill which I hope will be taken up by the government. If not, I foreshadow that Labor will be looking to move amendments in the Senate to bring the bill into line with the recommendations. The recommendations which were advanced by the committee were, firstly, that schedule 1 of the bill—the schedule relating to the new search and seizure powers—be amended to ‘include provisions dealing with the maintenance of legal professional privilege and other privileges identified as requiring protection when those augmented search and seizure powers are exercised’. Secondly, the committee recommended that the bill be amended to require that, within three years of proclamation, a review of the new search and seizure powers be undertaken by the Commonwealth Ombudsman.

In my opinion, these are sensible, reasonable and proportioned recommendations that should be adopted and agreed to by the government. The first recommendation came in response to the submission by the Director of Public Prosecutions of the Australian Capital Territory that the seizure powers failed unnecessarily to accommodate claims of legal professional privilege. The DPP also outlined a simple scheme which could be put in place in order to accommodate the privilege. The second recommendation is another sensible and appropriate recommendation. It is a recognition of the fact that these powers are quite broad and quite strong and that, as
such, they should be subject to a review. Three years is an appropriate length of time for such a review. Labor hope that the government will take up these recommendations. In any case I repeat that if the government does not take them up we will be pursuing them by way of amendment in the Senate.

With the exceptions I have referred to just previously, I commend the bill to the House, and look forward to its speedy passage through this place. I also look forward to its fair consideration in the Senate, hopefully with the amendments to which I have referred.

Mr BOWEN (Prospect) (7.22 pm)—I will take this opportunity to make some brief remarks in support of the Customs Legislation Amendment (Augmenting Offshore Powers and Other Measures) Bill 2006, and particularly in support of the comments of the member for Brisbane. This bill modernises the Customs Act, bringing it into line with operational realities. A particular operational reality that the Australian Customs Service faces has been highlighted by an incident which occurred on an Indonesian fishing vessel recently and which was highlighted in the Customs Service’s submission to the Senate Standing Committee on Legal and Constitutional Affairs inquiry into this legislation. In this incident a gun was produced by an Indonesian crew member during a search by Customs officials. It is important of course that this parliament gives every possible support to our Customs officials as they seek to protect our borders.

The Labor Party do support this legislation for the reasons outlined by the honourable member for Brisbane. We will be moving amendments in the other place to make this an even better bill. It is important that a balance is reached on these issues. We believe that the amendments to be moved by us in the other place will reach that balance. We do, nevertheless, support the provisions of this bill. The key amendment contained in this bill is an amendment to strengthen the powers of Customs officers when boarding ships in Australian waters. Other amendments include giving Customs officers a range of new powers to search persons on ships that have been boarded by Customs officers.

Under the current provisions of the Customs Act, Customs officers already have a range of powers to enforce Australian laws, including criminal laws, in Australian waters. The current powers include the power to chase and board ships, the power to request an aircraft to land for boarding, the power to search persons on board ships, the power to require all persons on a ship to answer questions or produce documents, and the power to arrest persons on a ship. But under the current act Customs officials cannot conduct personal searches until a ship or aircraft has been detained. That goes to the point I made before. Where Customs officers have not made a decision to detain a ship but are on board, if they do not have the power to conduct personal searches then we are going to see a continuation of the situation we saw on that Indonesian vessel. If Customs officers do not have the power to conduct personal searches, they cannot ascertain whether weapons are on board and indeed whether individuals are holding weapons.

This bill proposes the introduction of a new power allowing Customs officers to take possession of goods and documents on a ship where they have reasonable grounds to believe that these goods or documents may be evidence of the committing of an offence, even if the ship has not been formally detained. Under the amendments set out in the bill, the power of Customs officers will be extended to allow the officers to retain those goods and documents taken into possession.
under the new power to take possession of goods and documents.

The Senate committee heard evidence from the Customs department of a good example of the need for the amendments contained in the bill. In one case a critical piece of evidence, a global positioning system device, was found in the possession of a member of the crew only after the ship was detained. That is another example which highlights the need for this bill. Accordingly, Labor support all moves to increase the powers of Customs officials boarding at sea. Customs officers boarding vessels at sea are at the very front line of Australia’s border security. Labor believe they need to be supported in their important efforts. We commend this bill to the House and we commend the amendments that will be moved in the other place.

Mr HATTON (Blaxland) (7.26 pm)—This is a tired and lazy government. If you look at the speaking list for today, it is apparent—as the member for Brisbane pointed out before. The Customs Legislation Amendment (Augmenting Offshore Powers and Other Measures) Bill 2006 is the sixth bill before the House today, and you can count on one hand the number of government members who have stood up and actually attempted to explain what those bills were about or spoken to the government legislative program. This is my fifth speech today out of the six bills. I had eight on my list, but I had to knock off two in the Main Committee because they clashed. Minister Nairn knows full well the importance of actually doing the job and being part of this. I want to make a couple of critical points in the very short amount of time I have before the adjournment debate starts, and I will continue my remarks in a couple of weeks time.

The critical thing here is that there are four measures that need to be taken in order to improve the ability of our Customs Service to keep Australia safe. I know how important this is because, as deputy chair of the defence committee, I have been on Australian warships in Australian waters off Darwin doing an exercise where they were assisting Customs officers to look for illegal vessels. They have a very comprehensive program. They have a very comprehensive set of skills in order to board vessels and then detain them. It is a very dangerous job. It is prescribed by a set of protocols as to how people ought to go about their actions.

The crew members and the Customs officers I dealt with told me that there were fundamental problems with the search powers. That is the key thing addressed in the first part of this bill. If you have an apprehension, currently, where a person has a weapon hidden either on himself or somewhere else on the boat, or where there are documents that might in fact be used in evidence against people and so on, you cannot nab the bloke, do a quick frisk, get the weapons—which might be used against Customs officers or other Australian forces—and secure the vessel. You are left with the situation that relevant evidence may in fact be destroyed and you may be unable to prosecute later people who have been detained.

The key element here, and this is long overdue, is to say that, in terms of the offshore powers—that is, a vessel not in Australian waters but a vessel which has been interdicted and detained—when there is boarding of that vessel by Customs officers they will now, when this bill goes through, be in a position to better defend themselves and to better secure the country. The fourth matter is what is called SmartGate. This is not a TV show but rather an Australian invention worked up by a very clever set of people at CSIRO. That is in operation not only at Australian airports but also at ports. Fundamentally it is about facial recognition. In one of
the other bills in the last couple of days we dealt with the whole question of having an access card and having a digital image of a person’s face as well as a digital signature. SmartGate operates on the basis that, if you are flooding through a port or an airport, this technology will actually be able to identify you out of all the other individuals that are in that airport or port.

Debate interrupted.

ADJOURNMENT

The SPEAKER—Order! It being 7.30 pm, I propose the question:

That the House do now adjourn.

Terrorism

Mr GEORGANAS (Hindmarsh) (7.30 pm)—I rise to speak about recent comments made on page 3 of the Age today entitled ‘Terrorist comparison all Greek to Howard’. These were comments made by the Prime Minister where he compared the ongoing violence in Iraq to the isolated terrorist attacks in Greece many, many years ago—a ridiculous and outrageous remark and a ridiculous comparison, may I say. The Prime Minister, when discussing the issue of Iraq, made the comment that there are many democratic countries where terrorist attacks occur, citing Greece as an example. This was a bizarre comment that has taken everyone by surprise—certainly a lot of people in my electorate, who called me today to find out what this comment was all about. The Prime Minister said:

Greece went through a 20-year period of there being terrorist attacks.

As I said, these comments outraged many people in the Greek-Australian community of my electorate, and rightly so. The Prime Minister is obviously not familiar with current issues affecting Europe and Greece and with the great pride the Greek government now takes in maintaining peace with its allies and neighbours.

I believe that the Greek ambassador was in Canberra today and that he was going to personally raise this issue with the Minister for Foreign Affairs. The Prime Minister would be on safer ground admiring his sporting cricket heroes, because he clearly shows no understanding of sensitive issues and international diplomacy. Two weeks ago we saw the statement about Obama and how the Prime Minister managed to outrage both Democrats and Republicans in the US.

The horrible and horrendous attacks currently occurring in Iraq share absolutely no likeness to those in Greece in the past or in the present. The Prime Minister was simply trying to downplay the violence in Iraq by claiming that the conflict in Iraq will continue after withdrawal—this is all at the expense of the credentials of a peaceful, democratic country like Greece. There have been no casualties due to terrorist attacks in Greece in the last few years that I am aware of, and I am at a loss to find another conflict where 3,000 people die every month. This certainly is not the case in any European country, including Greece. The conflict in Iraq is the result of a pre-emptive invasion by a third party, so how you can compare a modern-day European country, a member of the EU, like Greece with this is absolutely unbelievable. The Greek government’s only priority, as far as I am aware, is to ensure that individuals within Greece and Greek communities abroad remain safe.

In making these comments the Prime Minister is risking hindering our relationship with other nations and international communities. These comments could not have come at a more difficult time, as the Australia-Greece social security agreement is proposed to be signed later this year. For this agreement to go ahead and to be fairly debated,
relationships need to be at an optimal level. The Greek community in Australia—people who identify as Greek Australians—is estimated to be as large as one million people. Melbourne is the third-largest Greek community in the world. In South Australia, in the electorate of Hindmarsh, I have over 10,000 Greek Australians who live in the electorate, and they contact me on a regular basis. I stand here representing many Greek Australians in my electorate, and I want to point out that the conflict in Iraq has absolutely no resemblance to Greece.

Each summer there are approximately 100,000 Australians in Greece, and this number drops to about 40,000 in the winter months. The frequent visits to Greece by Australians, combined with the large Greek population in Australia, have served to strengthen community ties between the two countries. Despite there being such a large number of Australians in Greece at any one time, I am yet to hear of any of them being the target of or threatened by any terrorist action in recent months or years. The majority return without any incident. The Prime Minister’s comments are an insult to the thousands of people who travel to Greece year after year and to the near-million people who are connected through their ancestry to a country that is a peace-loving and welcoming country and which has always had a great relationship with Australia through many historical ties in times of war, such as the battle of Crete and many other incidents.

I, together with members of the ALP, refute the Prime Minister’s comments as outrageous, bizarre and totally unbelievable. The Prime Minister acted irresponsibly by trying to make a political point. He wrongly suggested to the world that Greece is a security risk. This has the potential to impact on terrorism and the extent of interaction between both peoples’ countries.

Human Rights: Vietnam

Mr CADMAN (Mitchell) (7.35 pm)—Last Saturday evening I had the pleasure of representing the government at the annual new year festival of the Vietnamese community at Warwick Farm in Sydney. The Federal President of the Vietnamese Community in Australia, Dr Tien Nguyen, and Mr Tri Vo brought to my attention human rights infringements currently taking place in Vietnam. They expressed a very deep concern on behalf of the Australian-Vietnamese community regarding the journalist Nguyen Vu Binh and Reverend Father Nguyen Van Ly.

Nguyen Vu Binh is a 39-year-old journalist who was arrested in Vietnam by communist authorities in September 2002. They charged him in an unfair trial in December 2003 with spying and sentenced him to seven years imprisonment, plus three years house arrest on release. Last week, the Vietnamese community in Australia were alerted to the alarmingly deteriorating health of Mr Nguyen Vu Binh and have since confirmed this news with his wife, Mrs Bui Kim Ngan. Dr Son, who is his doctor, said that he is ready to discuss these issues with Australian authorities. Mr Nguyen Vu Binh started the Liberal Democratic Party in 1999. He was briefly detained in July 2002 and, a month later, arrested for criticising a controversial border treaty with China, which he distributed on the internet.

Mr Nguyen is a journalist who writes widely and communicates via the internet. His trial was heard on 31 December 2003 and lasted only three hours. He was charged under article 80 of the criminal code with spying. The spying he undertook was to express, with other dissidents, his concern with the management of the nation and the way in which human rights were being disposed of in Vietnam. Most of the dissidents who were arrested at that time were detained in connec-
tion with transmission of material on the internet and via email which was critical of government policies. Of the known dissidents arrested under the crackdown, Nguyen Vu Binh, Dr Pham Hong Son and Nguyen Khac Toan remain in prison serving long prison sentences.

There was also a crackdown in Vietnam on the Christian community, and the arrest of Reverend Father Nguyen Van Ly is also of deep concern to Australian Vietnamese. The priest who was arrested was conducting services at his home. It was the time of the new year, on 16 February of this year. On 18 February the diocese centre was wrecked by military soldiers under instruction from the Communist Party of Vietnam. The priest was under house arrest, and other Christians in the area have since been jailed. Some are on hunger strikes. There is deep concern about the health of both the Reverend Father Nguyen Van Ly and the journalist Mr Nguyen Vu Binh.

It is a matter of deep concern to me and the Australian government that the invasion of human rights continues in Vietnam. In addition, I have reports from the organisation Persecution about a number of invasions of homes, about the detention of people and about the locking up of dissidents—particularly from the Christian and Buddhist communities—for standing up for basic human rights. These are documented by the International Movement for Democracy and Human Rights in Vietnam, and they have occurred both in the cities and in the north. I call upon the government of Vietnam to change its ways and to resolve these issues in a democratic process. China is changing. Germany has changed. The Soviet Union has changed. It is time for Vietnam to take up democracy, freedom and justice on behalf of its people.

**Workplace Relations**

Ms KING (Ballarat) (7.40 pm)—Contrary to the Howard government’s promise that life would be better for women under Australian workplace agreements, ABS data released today clearly shows that it is not. Today the Australian Bureau of Statistics released the employee hours and earnings for May 2006. The data indicates that women on Australian workplace agreements are earning less than Australian women on collective agreements. Australian women on AWAs who work full time earn on average $2.30 less per hour, or $87.40 less per week, based on a standard 38-hour week, than those on collective agreements. Australian women on AWAs who work part time earn $3.70 less per hour, or $85.10 less per week, based on an average 23 hours per week, than those on collective agreements. Australian women on AWAs who work as casuals earn $4.70 less per hour for every hour they work than those on collective agreements.

These statistics clearly show that under AWAs largely entered into before Work Choices, when the no disadvantage test applied, there is a big earnings gap between women on AWAs and those on collective agreements. If this gap existed when there was a no disadvantage test, you can only imagine just how wide the gap is now, when AWAs can strip women’s working conditions back to five minimum conditions. The ABS statistics support research by Professor David Peetz that showed that almost 20,000 employees are losing award coverage every month under the new industrial relations laws and that pay for female workers is falling.

The claim by the Minister for Employment and Workplace Relations that AWAs are economically beneficial to women has absolutely no basis in fact. Key findings of the research by Professor Peetz are that
women’s pay has dropped significantly under the new IR laws, with real average earnings for women in the private sector falling by two per cent and a majority of award workers suffering a real wage cut averaging almost one per cent under the new minimum wage setting processes. Almost 20,000 workers are losing award coverage every month and are being put onto AWAs or other non-union agreements that remove formerly protected award conditions including overtime, penalty rates, rest breaks and other important conditions.

The research also shows that the federal government has exaggerated the employment effects of the new industrial relations laws and that jobs growth was in fact higher in the previous year before Work Choices was introduced than it has been in this year. I note that the government has not sought to refute the claims made in this research but only ridiculed the credentials of the academic who produced them. There is no evidence of significant economic benefits for women from Australian workplace agreements. In fact, the opposite is the case. The Minister for Employment and Workplace Relations has made the claim that AWAs are good for women without any evidence, and he was unable to defend the claim in the face of statistics that clearly show he is wrong. I fail to see how the minister can make the claim that women will be better off on AWAs if they are in fact earning less money. The government is very adverse when it comes to releasing statistics about AWAs. The only statistics the Howard government has ever released showed that 100 per cent of Work Choices AWAs have removed at least one protected award condition, more than 60 per cent have taken away penalty rates and more than 50 per cent have taken away shiftwork loading. The government has refused to release any further statistics on AWAs. The minister has been challenged by Labor to release statistics on AWAs but has consistently refused to do so.

If the government is so proud of what Australian workplace agreements have done for women’s wages then why will it not produce statistics to back up its claims? If the government is so proud of what AWAs have done for the working conditions of women, why does it not release statistics to back up its claims? The minister’s blustering is no substitute for the reality—the reality we saw today with the release of the Australian Bureau of Statistics information. Women are earning less on AWAs than under collective agreements. They are not better for the working conditions and wages of women; they in fact undermine them. The minister is really just full of hot air when it comes to the conditions and wages of working women in this country.

**Condolences: Mr Billy Thorpe**

Mr HARDGRAVE (Moreton) (7.44 pm)—This morning Billy Thorpe, a rock and roll legend, passed away. Some 50 years of music, performance and entertainment to Australia has come to an end. I wish tonight not to try to show my credentials as a former rock and roll disc jockey but to record a little about the early history of Billy Thorpe. As a result of his passing, I have had a chance to look at his wonderful website, www.thorpie.com, which displayed his enormous generosity to his fan base and where he disclosed all that he is and was. This was a man born on 29 March 1946 in Manchester, England, but what makes it absolutely relevant to my electorate of Moreton is that is where he first played.
He attended Moorooka primary school as a young bloke. His first gig was at St Mary Magdalene’s Anglican church hall in Salisbury. He was discovered in 1956 in a Hollywood sort of way by Gwen Illiffe, whose then husband, Jim Illiffe, was host of a Channel Nine television show the Channel Niners—he was somebody I knew many years ago as a young bloke and in my early years in the Brisbane media. Billy was playing and singing in a storeroom behind one of his parent’s local stores in Fegan Drive in Moorooka, which in those days was the end of the Beaudesert Road tramline. Gwen Illiffe was literally walking past and looking for the address of Mary Saint Ledger, who according to Thorpie was:

... an incredible boogie-woogie piano player who lived with her family just around the corner from us. Mary often did duets with the legendary pianist Winifred Atwell. She was a killer player who could have stood toe to toe with Jerry Lee.

She heard him, handed over her card and said, ‘Let’s talk further.’ Within a few months, he had auditioned and got a gig at the La Boheme restaurant in Brisbane and off he went. He continued—this is at the age of 10—with his schooling at Moorooka primary and then later went to Salisbury high school during the day. He said on his website:

What a childhood. Its still like a dream to me. Moorooka State School and later Salisbury High during the day and Rock n’ roll High school at night.

This was Billy Thorpe’s fantastic upbringing that he afforded himself out of the passion he had not for the piano, despite what he could have done and lamented he did not, but because Hank Williams and Eddie Cochran played the guitar and that was where he went. He played country music for a while, doing Hank Williams and yodelling Slim Whitman. He worked in the tents with Reg Lindsay and Slim Dusty. He was by every possible means somebody who lived passionately for the music he enjoyed.

When I was a teenager at Macgregor high school—and I actually went to Salisbury high for a few months when a tornado in 1973 blew down a lot of our school and we had to go over to Salisbury by bus each day—little did I know all this history was happening in our local area, that Billy Thorpe’s attachment was so strong. Salisbury high is known as the school that Jamie Dunn, the Brisbane radio announcer, the voice of Agro—at one stage Brisbane’s answer to Leif Garrett in the late seventies—went to. What an amazing school that Salisbury, now Nyanda high school, was for the talent that it had within its midst. Both of these schools continue to work hard to nurture the best of talents for kids that attend them.

One of the things that the House should be told tonight and should be put on the record on the day of the passing of Billy Thorpe, the rock hero, the man who brought about the Long Way to the Top live tour that brought three decades of Australian music to a new generation of people, is that Billy Thorpe had heard that Moorooka primary school was one of three schools that was hit by arson late last year. He offered his services to perform to raise funds for the school later this year.

I think we can pay an incredible tribute to this man by saying that no matter how many famous people he played with, no matter how much of a Hollywood lifestyle he had, he was true to his roots. He cared about the people who were amongst his fan base, so there are many people very sad and disappointed that we have lost Billy Thorpe today, and my thoughts go out to those closest to him. I want to say in this very public way thank you to Billy Thorpe and I know that each of those schools and my local community are very proud to know he was once amongst all of us.
Sale of Currawong

Mr HAYES (Werriwa) (7.49 pm)—Tonight I rise to address a smear campaign being waged against Unions New South Wales over the sale of the Currawong property on the western foreshore of Pittwater. This campaign is being waged by individuals who have a long track record of campaigning against the union movement and its objectives to get a fair deal for working Australians. These issues were raised in this place; therefore I am going to try to correct the record in this place.

Unions New South Wales’s stated preference was for the unconditional sale of Currawong, and a position clearly outlined in all of the relevant documentation was forwarded to interested parties. The suggestion at the heart of this smear campaign is that Unions New South Wales accepted an offer of $15 million, an amount that was supposedly half that of the top price offered. The alleged top offer of $30 million was conditional on the approval of a development proposal which included 30 house sites, 30 cabins, a 30-berth marina and a small commercial precinct development. If this failed to be approved, the offer price would either be reduced substantially or the offer would lapse.

Given the nature and location of Currawong on the foreshores of Pittwater, there is little doubt that a public campaign would have been waged against any development proposal put forward for the property. Furthermore, had a development application been lodged that saw Unions New South Wales benefit either directly or indirectly, the application and its assessment would have been highly politicised. On the basis that the offer was conditional, which was against the stated preference of Unions New South Wales, the best unconditional offer was accepted. Those who talk about missing millions conveniently ignore these key facts. By removing any financial benefit for the union movement based on a development approval, Unions New South Wales has allowed any proposals for the future use of the Currawong site to be judged on the nature and quality of the proposal alone.

In addition to the alleged ‘missing millions’, allegations have been made against David Tanevski and the role of Kingsway Capital. The theory being touted is that Mr Tanevski screened all offers to the advantage of his business and business associates. Quite frankly, the facts present a radically different story to that. Mr David Tanevski was asked to advise Unions New South Wales on the structure of their sale, given the likelihood that it was going to be a complex transaction. He was engaged because of his relative experience in these matters. He was initially asked to advertise the sale, to field inquiries and to forward information packages prepared by Unions New South Wales lawyers to interested parties. As required by the information packages, expressions of interest were then forwarded to Trust Cox Solicitors, which collated the 15 offers that were received by the closing date. All negotiations were conducted by the officers of Unions New South Wales and their legal representatives.

Given that the allegations put forward in this smear campaign have been presented with such conviction, it is fascinating that no-one has yet been able to find any evidence of how it is that Mr Tanevski’s limited involvement in this matter has done anything other than to maximise the eventual sale price for Currawong. I find it somewhat ironic that the most dogged in this debate in the pursuit of the union movement are those who are now crying loudest about the allegations of short-changing Unions New South Wales over the sale of Currawong. Those crying loudest are the same people who have dedicated themselves to ridding workplaces
of unions, to severely curtailing their capacity to support working Australians and to silencing them in the political debate.

The Minister for Health and Ageing, who used questions about the health of Australian workers to bring this campaign before the parliament, is well known for his objection to unions and his desire to see unions driven out of society. The motivation of those involved in this campaign is quite clear: they know that some of the funds from the sale of Currawong will be dedicated to the campaign against the Howard government’s extreme industrial relations laws—a campaign that I know and many opposite know will have a devastating impact on the government come the next election. (Time expired)

Wakefield Electorate
Mr FAWCETT (Wakefield) (7.54 pm)—I rise tonight to talk about some of the partnerships that the Australian government conducts in the seat of Wakefield. The slogan I have on much of my material is ‘Working with you in Wakefield’, because I believe it is important to work with people to secure a future for our community. The manufacturing sector is one such partnership. When the Hon. Alexander Downer, the Minister for Foreign Affairs, opened the Manufacturing Prosperity Conference in 2005—a partnership between a number of industry players and the Playford Council, in the electorate of Wakefield—he made the comments that manufacturing still accounts for around 11 per cent of our economy, it generates some $88 billion in income and it employs over one million Australians.

Whilst manufacturing’s share of GDP has declined, manufacturing has nevertheless grown by 43 per cent in real terms over the last 20 years. That is not by accident; it is a result of people working together to ensure long-term investment. An example of those long-term investments is the auto industry in Wakefield, which is the home of General Motors Holden. This government has committed $7.3 billion into long-term development of technology in the auto industry to make this Australian product export-ready. The recent announcement of the export of the Pontiac G8 by Holden to America is a good example of that.

Hirotech, a stamping plant in the seat of Wakefield, produces boots, bonnets and doors for a number of car manufacturers. It needed infrastructure to ensure it could supply parts to General Motors Holden on a just-in-time basis. To do that, a road called West Avenue required upgrading. The upgrading of that road was an $8 million program, on which the Australian government worked in partnership with local government and provided $5 million to achieve that outcome.

The Australian technical college is building trade skills in our young people. The college partners with industry in the area to provide the workers with the skills they require. This government is finding ways to work in partnership with companies to enable their activities.

At the Manufacturing Prosperity Conference, the foreign minister announced the formation of a global consortia, called Beyond Automation, which brings together six companies from Malaysia, Germany and Australia to focus on providing high-tech manufacturing outcomes. Invest Australia also helped with that, but credit has to go in large part to Peter Page and Peter Parrish, of Priority Engineering. This firm, in Elizabeth West, has shown itself to be a real leader in the area with its innovation in advanced automation and robotics. They are looking to establish partnerships here in Australia and overseas. They are particularly looking to outsource work to local small businesses, many of which have only two to 10 employ-
These small businesses are the backbone of manufacturing. Priority Engineering’s model is to form partnerships overseas, to bring work back into Wakefield and to partner with these smaller companies.

The Prime Minister opened the Innovation Network, which is based on work done by Priority Engineering in the Playford Council. I am pleased to report to the parliament tonight the latest part of this—a $50 million project called Playford Evolution, which is being spearheaded by Priority Engineering Services with the support of Playford Council. They have created a hub in Elizabeth West for high-technology companies, and that builds on a number of things that have been put in there through long-term partnerships. AusIndustry helped Priority Engineering with an R&D fund. There is also the Sustainable Regions program. Assistance has been provided to the Cad Cam Centre to develop its expertise. The bottom line is that we are looking to secure jobs and to secure the future for the people of Wakefield through effective partnerships.

I particularly want to congratulate tonight Peter Page and Peter Parrish, of Priority Engineering, and their workforce. They have worked to provide the skills and the base for this exciting initiative, which is now attracting companies from Australia and overseas, which will establish a larger hub to secure the future of families for people in Wakefield.

House adjourned at 8.00 pm

NOTICES

The following notices were given:

Mr Abbott to present a Bill for an Act to amend the Health Insurance Act 1973, and for related purposes. (Health Insurance Amendment (Provider Number Review) Bill 2007)

Mr Andrews to present a Bill for an Act to amend the law relating to migration, fisheries and the environment, and for related purposes. (Migration Legislation Amendment (Information and Other Measures) Bill 2007)

Mr Pearce to present a Bill for an Act to amend the law relating to statutory agencies in the Treasury portfolio, and for related purposes. (Governance Review Implementation (Treasury Portfolio Agencies) Bill 2007)

Ms Ley to present a Bill for an Act to amend legislation in relation to exceptional circumstances relief payment, and for other purposes. (Farm Household Support Amendment Bill 2007)

Ms Ley to present a Bill for an Act to amend the Primary Industries and Energy Research and Development Act 1989, and for related purposes. (Primary Industries and Energy Research and Development Amendment Bill 2007)

Mr Lloyd to move—That, in accordance with section 5 of the Parliament Act 1974, the House approves the following proposal for work in the Parliamentary Zone which was presented to the House on 27 February 2007, namely: Reconciliation Place—Women Artwork.

Mr Nairn to move—That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Lavarack barracks Redevelopment Stage 4, Townsville, Queensland.
The DEPUTY SPEAKER (Hon. IR Causley) took the chair at 9.30 am.

**STATEMENTS BY MEMBERS**

**Multiculturalism**

Ms KATE ELLIS (Adelaide) (9.30 am)—I have spoken many times about my appreciation for our multicultural society and my belief that we need to do more to support the many diverse communities living together in Australia.

_A division having been called in the House of Representatives—_

**Sitting suspended from 9.31 am to 9.42 am**

Ms KATE ELLIS—Before the suspension, I had just commenced talking about my appreciation for our multicultural society. I would like to once again talk about my support for our multicultural community and my deep belief that we need to be doing more to support the many different communities living together in Australia. This morning I would like to focus on the African communities, particularly those moving into my electorate of Adelaide, where we have an ever-growing African community.

I have had the opportunity to meet with women’s groups which have been formed to assist these new arrivals to settle into our community. I would like to talk this morning about some wonderful organisations that have been formed, in particular the formation of what is called ‘African Women’s Wisdom 40 Plus’ group, which, as it sounds, is a group comprising women from the following communities: Sudanese, Burundian, Congolese, Liberian and Sierra Leonean. This group has been formed through a partnership with Lutheran Community Care and the Sudanese Community Association of Australia SA Branch, and they do some wonderful work in supporting the interests and needs of the African community, alleviating isolation experienced by older African women and focusing on issues such as language barriers.

I have had the opportunity to meet with this group on several occasions, including when we gave them a tour of the state parliament to show them our political system. The stories that I have heard when sitting and talking to these women are gripping.

_A division having been called in the House of Representatives—_

**Sitting suspended from 9.44 am to 10.00 am**

Ms KATE ELLIS—When I recently met and listened to the African women’s wisdom group, I found their stories were gripping, heartfelt and at times tragic, but they all shared one central theme: they all wanted more support to learn English, and to play a greater role in both our workforce and our communities. I, for one, think this is a pretty reasonable request.

The City of Port Adelaide Enfield has recently written to the minister for immigration calling for greater support for Lutheran Community Care and for this program. I stand here today to support those calls on the minister to do more to help these communities play an active role amongst local residents. I will continue to call for greater funding for these programs, both within my own party and particularly with the current government.
DISTINGUISHED VISITORS

The DEPUTY SPEAKER (Hon. IR Causley)—Before I call the honourable member, I would like to welcome visitors from an interparliamentary study group from various countries. Welcome to the Main Committee.

Honourable members—Hear, hear!

STATEMENTS BY MEMBERS

Australian Defence Force

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Defence) (10.01 am)—Yesterday I was privileged to make an extraordinary announcement. It was an extraordinary announcement in the sense that it was about the professionalism of the men and women of the Australian Defence Force. Yesterday I was able to announce that the 1st Battalion Royal Australian Regiment, affectionately known as Big Blue One to its members, was deploying. There is nothing new about regiments deploying—regiments consist of 800 or so people—but the 1st Battalion is deploying across the world. One company is going to Timor-Leste to look after the good people of that very poor country. A second company is going to Afghanistan to protect the reconstruction task force, again doing good work for the people of Afghanistan. A third company is going to SECDET in Iraq to look after the security of our Australian officials.

It is a testament to the professionalism of the Defence Force that these niche capabilities in one battalion can be deployed simultaneously across the world. It is a great result. To Lieutenant Colonel Andrew Gallaway, who is the commanding officer, his officers and the soldiers of the 1st Battalion: well done. You train and you work hard. You are there when your country needs you, but of course you are going overseas to look after people who are less privileged than we are. It is a great outcome.

I know that, in relation to Iraq, the opposition are absolutely salivating about the next election. The men and women of the Australian Defence Force in my electorate say to me, ‘When can we go back to Iraq?’ They think it is a wonderful opportunity to do great work for the people over there. But of course they also appreciate the other deployments that we have been involved in: Afghanistan, Timor-Leste and the Solomon Islands. Currently we have reservists in the Solomon Islands. Reservists these days represent about 20 per cent of Australia’s forces deployed overseas. That is not widely known. Reservists these days have a very significant role in deployments that occur, and they come from across the country and across all disciplines, including very technical specialist disciplines. I wish the soldiers from the 1st Battalion well. I hope, trust and know that they will come home safely.

Telstra

Ms BIRD (Cunningham) (10.04 am)—I take the opportunity today to put on the record of the parliament my concern about a decision by Telstra to remove a pay phone from a suburb in my electorate called Otford. It is an amazing story. I have already had an issue with Telstra over the removal of a pay phone at the technical college at Wollongong. They say, ‘There is another phone nearby,’ but they never look at the site to see the implications in accessing that other phone. At the TAFE facility where they removed the phone it meant that the women—they were running largely women’s courses in the building—had to pass through darkened areas of the college and through some bush type area to get to another phone. I have been tell-
ing Telstra that, when they make decisions to remove these pay phones, they need to have some sort of site inspection rather than just saying that there is another phone a certain distance away.

The issue of the phone at Otford was raised with me by Ian Nichols, a local resident, who has been running an effective campaign in the local community up there. They have hung up tin cans and put up a sign saying that this is Telstra’s new service. The problem with Otford is that it is in the escarpment, so it is a major bushwalking area. It is the base for the bushfire services and it is the point where the buses come—in particular, the school buses. That is where they have removed the phone. Telstra’s response is that there is another phone on the train station. You have to know the area. This is not a case of being able to see the train station from the small centre of the town. You have to know where the train station is. You have to walk through a bush track and cross the rail lines to get onto the train station—which you are not supposed to access anyway if you do not have a ticket—to use the phone. That is bad enough for a bushwalker with an emergency or for someone who wants to call out the fire service, but it is absolutely inappropriate for kids to be required to do that.

Mr Nichols, who lives at the house outside of which the phone was located, woke up one morning and noticed that it was gone. He rang Telstra, who told him that it was not marked for removal—it must have been vandals or it must have been stolen. He indicated to them that the whole phone booth was gone and that the wires had been cut and tied back up the pole. He was suspicious; vandals would not have been that considerate with the facility. Telstra continued to deny they had removed it. They sent out a technician. The technician said, ‘Look, guys, this is a professional job; you have removed it.’ Telstra then claimed that they did have the phone on a list and they had put a sticker on it three months earlier. When Mr Nichols said that nobody had seen a sticker, they said that the sticker must have been stolen. It is a Fawlty Towers farce. I have written to the regional Countrywide manager. He should come on site, see the problems and return that pay phone to Otford.

Ryan Electorate: School Funding

Mr JOHNSON (Ryan) (10.07 am)—I am pleased to speak in the parliament today about the Investing in Our Schools Program, which the students of the schools in the Ryan electorate, their parents and principals warmly welcome. I strongly commend the government for its recent announcement that an additional $181 million will be allocated to this program on top of the initial $1 billion that the government has put aside for all kinds of wonderful projects in our schools. The school I recently visited in the Ryan electorate, Mount Crosby State School, and its P&C were delighted to receive their money. An interesting point they made was that it seems odd that the federal government is getting involved in projects in state primary schools and state schools generally which ought to be the prerogative and under the jurisdiction of the state governments. I absolutely agreed with that sentiment—it is odd that the national government is putting in $1 billion for projects that should be within the remit of state governments.

I want to touch on some of these projects because it opens the mind as to how incompetent and negligent our state governments are. Fancy the national government of a country having to provide money to repair toilet amenities in schools—which happened at the Ironside school in my electorate—to refurbish classrooms, to install new computer and IT facilities, to upgrade playgrounds and to purchase items such as library books, sporting equipment and musi-
cal instruments. I was able to assist with this at the Rainworth Primary School in Bardon in the Ryan electorate. This is amazing stuff.

Of course, this additional $181 million will go a long way to providing a key amount of money for schools right across this country. I encourage the Ryan schools that may not have received the full amount that they are entitled to to put in their applications again and, of course, I will very strongly support them. To all the schools in the Ryan electorate, I pledge my support once again and reassure you that I will be representing you fully in getting as much support as possible. Again I ask the state government in Queensland: why are you not paying for air-conditioning at Mount Crosby State School? This is a school that the Premier of Queensland, the Deputy Premier of Queensland and the minister for education in Queensland have not visited. Not a single state minister has visited Mount Crosby State School at Karana Downs. They should stand condemned for not visiting a state school that is within the jurisdiction of the state government. (Time expired)

Climate Change

Mr Murphy (Lowe) (10.10 am)—On 15 February 2007, in response to a question from the member for Kingsford Smith about the failure of the government to model the potential impacts of climate change on Australia, the Treasurer answered:

As far as the Treasury is aware, no country has developed a model of national consequences. All of the models that have been developed are in relation to global consequences.

The Treasurer also claimed:

In his haste to ridicule the member for Kingsford Smith, the Treasurer has misled the parliament, because a 10-minute check on the internet would have revealed that many countries have created national impact models and the governments of those countries are actively using the results of those models to make important policy decisions.

For a start, the United States government’s National assessment of the potential consequences of climate variability and change was issued in 2000. The assessment reported on projected climate change resulting from human activities and identified a range of likely adverse societal and environmental consequences. In the United Kingdom, the UK Climate Impacts Program, a division of the Department for Environment, Food and Rural Affairs, regularly reports on the effects of climate change in the UK on the built environment, transport and utilities, spatial planning, water resource management, countryside and the rural economy, marine and terrestrial biodiversity, soils, health, finance and business—costing the impacts of climate change—and tourism and the visitor economy. Singapore has a national climate change strategy that sets out the impact of climate change in the areas of vulnerability and adaptation, mitigation, competency building, and public awareness. The German Institute for Economic Research predicts economic damages caused by climate change in Germany alone of €137 billion by 2050. Needless to say, the Germans are actively responding to this warning.

The admission by the Treasurer that the Treasury has ‘of course’ not produced a quantitative study on the effects of climate change directly undermines the Prime Minister’s claim that responding to climate change in an effective fashion would be too expensive. I ask today in
this chamber: how can the Prime Minister know this if his government has not bothered to work out the figures?

**HMAS Yarra**

**Mr Anthony Smith** (Casey—Parliamentary Secretary to the Prime Minister) (10.13 am)—I rise today in this chamber to pay tribute to the families, the relatives and the friends of those servicemen who served on HMAS Yarra. This weekend marks the 65th anniversary of the sinking of the Yarra in World War II, and families will meet to commemorate that in Melbourne in Newport on Sunday. I have spoken before in the House of HMAS Yarra. The story and the history of that ship are very much part of the fabric of Australia’s massive contribution in World War II—a massive contribution by the Navy. The Yarra, which was sunk on 4 March 1942, typifies so much of the sacrifice that those who served in the Navy and the other forces experienced during World War II.

The historian Daniel Oakman, at the War Memorial, has written of the history of the HMAS Yarra. It is a story of incredible sacrifice. I came to know of it because a constituent in my electorate, Mr Garry Taylor, is a relative of Ron Taylor, known as ‘Buck’, who served on the Yarra and died during combat. I spoke of this some years ago, and the families who survive to pass on the stories of the Yarra very much want to have the contribution recognised in a major way. I will read quickly from some of Oakman’s history, where he talks about the great courage of those on board who, ‘in a firefight with the Japanese, saw the ship sink’. There was ‘an abandon ship call, but the Yarra kept on firing’, and history records Ron Taylor’s very courageous efforts as the last man, manning the last operational gun on that day. Many died. Some survived for a short period of time but died in the water, and others managed to be rescued later on. This Sunday marks a very important chapter in Australia’s history that all of us in this House would do well to remember as part of Australia’s massive contribution in World War II.

**Diabetes**

**Mr Danby** (Melbourne Ports) (10.16 am)—The increasing incidence of type 2 diabetes is one of the challenges to our modern health system in Australia. It is a disease that is largely related to poor diet, weight gain and lack of exercise, and it is aggravated in many cases by smoking and heavy alcohol use. Seven per cent of Australian men suffer from type 2 diabetes, and this figure is expected to rise. This disease can lead to severe complications, including kidney failure, blindness and potentially fatal heart disease. The growing epidemic of type 2 diabetes is a serious challenge to Australia’s public health system and health insurance system. The relatively good news about type 2 diabetes is that it is fairly easy to treat if detected early. Early detection and treatment is obviously the best way to prevent both the human cost and the potentially crippling financial cost of the type 2 diabetes epidemic in Australia.

We tend to think of sleep apnoea and snoring as no more than mildly annoying, and even somewhat amusing. It is less funny for the partners of heavy snorers who find their own sleep disrupted, but heavy snoring is also usually a symptom of sleep apnoea, which is the inability to breathe normally while sleeping. Sleep apnoea disrupts sleep patterns and prevents restorative sleep. People with sleep apnoea suffer from daytime fatigue, which increases the risk of accidents at work or while driving and affects their personal relationships and work performances.
Recent research by Professor Wilding of Liverpool in the United Kingdom has found that 90 per cent of men suffering from sleep apnoea also have what is known as metabolic syndrome: a combination of high cholesterol, high blood pressure and insulin resistance. The syndrome is known as a precursor to type 2 diabetes. In other words, middle-aged men who are overweight and heavy snorers are almost certainly at immediate risk of type 2 diabetes, particularly if they smoke. I say ‘men’ because, although a woman can suffer from both sleep apnoea and type 2 diabetes, the majority of sufferers are men. Men are more likely to be overweight and more likely to smoke than women.

We are lucky that we have in Melbourne one of the world’s leading diabetes specialists, Paul Zimmit AO, of Monash University, who is Director of the International Diabetes Institute. Recently Professor Zimmit has been working to raise public awareness about the link between sleep apnoea and type 2 diabetes and has been campaigning for more funding for prevention campaigns. Professor Zimmit points out that wives and partners of men who suffer from sleep apnoea, which is usually the most obvious symptom of snoring, are well placed to help with the problem. Zimmit argues that people who snore and their partner should talk with their GP to see whether they need further investigations. He points out that sleep apnoea can be tackled with a treatment called continuous positive airway pressure, which promotes better breathing during sleep. I want to commend the work that Professor Zimmit and his colleagues are doing. The Australian government should give them all the assistance they need because the rising incidence of type 2 diabetes is one of the most serious health challenges facing the nation.

Road Safety

Mr VASTA (Bonner) (10.19 am)—As a result of strong economic management, this government has been able to deliver real and practical benefits to our local communities. Maintaining safe roads is an important priority and, since its introduction in 1996, the black spot road funding program has been able to invest over $400 million across Australia to make our roads safer. Lives have been saved and accidents on Australian roads have been reduced. By investing in practical measures such as traffic signals and roundabouts at dangerous locations on our roads, the program reduces the risk of crashes. Ensuring the safety of both motorists and residents is a key priority for me and, through the black spot road funding program, this government has already fixed 11 dangerous black spots in the electorate of Bonner.

Recently I was able to announce over $430,000 in funding to fix a further three black spots in the bayside of Bonner. Many bayside residents would be familiar with the Tingal Road, Ronald Street and Florence Street intersection at Wynnum, which in the past five years has caused one fatal and six casualty crashes. Property has also been damaged on several occasions as a result of ongoing accidents, and I am well aware of community concern for the safety of schoolchildren, in particular, who cross the intersection every day.

Through the black spot road funding program, I have been able to announce that $200,000 will be dedicated to the upgrade of this dangerous intersection so that the necessary safety improvements can be made. One hundred and sixty thousand dollars will also be spent to fix the intersection of Pine Street and Bay Terrace in Wynnum, which in recent years has seen one fatal and three casualty crashes. The funding will be used to install traffic islands and line markings and to improve lighting for those driving or walking at night.
I was also pleased to announce that $70,000 will be spent on a black spot in Manly where one fatal and two casualty crashes have occurred. For too long the intersection of Manly and Stannard roads in Manly West has been a major concern and frustration for many local residents and motorists. The black spot road project will upgrade the intersection by improving sight lines, reinforcing priority signs, installing traffic islands and providing a painted turn line.

These upgrades seem simple; however, they have been developed as a result of community consultation and are practical measures that will help to eliminate the risk of any further serious crashes. I will be working with the Brisbane City Council over the coming months to ensure that the improvements are carried out as soon as possible. As I talk with residents and members of the community, it is increasingly evident that infrastructure is a major issue of concern. Motorists and pedestrians are entitled to safe local roads, and they should not simply have to settle for second best.

Chifley Electorate: St Mary’s Senior High School

Mr PRICE (Chifley) (10.22 am)—I recently attended a graduation ceremony at St Mary’s Senior High School. This is the first public senior high school in New South Wales not to be established on the classical model of a senior high catering for years 11 and 12 and junior feeder high schools. This is a senior high stand-alone with only years 11 and 12, and it attracts students from all over the surrounding area. Indeed, a good proportion of the students that go to St Mary’s senior high, a public school, are from private schools. It is one of the few public schools to have this track record. I am a little sad because, with the redistribution, I will no longer be their local member.

In 2006, 441 students at the school completed the higher school certificate—43 more students than in 2005. Fifty-nine per cent of these students were offered round 1 offers at university and a number are receiving round 2 offers. This is a 10 per cent increase on the previous year. Of those who did not wish to go to university in 2007, the majority now have enrolled in TAFE and private college courses or have gained traineeships and employment in their chosen field.

Two students have obtained the Premier’s award for all-round excellence—Eihab Eltantawy and Amelia Goodson. There are also five students on the top achievers list. Three students were placed in the top 10 for society and culture in the HSC examination—Clare Calderwood, who was fourth in the state; Amelia Goodson, who was sixth in the state; and Cassandra Duncan, who was 10th in the state. Gagndeep Singh Jior was placed seventh in the state in physics, and Juleita Mariano was placed ninth in the state in business services. The school also had 136 entries in the distinguished achievers list, recognising band 6 performances in HSC courses—one less than in 2006. I congratulate Kristine Beazley and her team of dedicated teachers, the parents and citizens association and the students and parents on an outstanding educational institution, one that is serving its students exceptionally well.

Paterson Electorate: Roads

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.25 am)—Today I rise as a member of this House representing my constituency of Paterson. This week they have been alarmed to hear that $25 million of taxpayers’ money was given to a road contractor to delay the opening of the Lane Cove tunnel in Syd-
ney. The Lane Cove tunnel will open one day after the state election. The contractor has been given $25 million of taxpayers’ money to hold it up.

Mr Albanese—Are you against it?

Mr BALDWIN—Yes, I am against it, Member for Grayndler. I am against it because the government that your wife is a part of refuses to spend money on roads in my electorate. Let me say this: $25 million spent by the state government in my electorate would match the almost $30 million that we have spent on exceptional programs. We have spent $20 million on Bucketts Way and we have seen dramatic improvements. We have given the councils $8 million for roadworks between Dungog, Raymond Terrace and Maitland. We have given $2 million for Lakes Way. How much have we seen from the state Labor government in New South Wales? Zero. The $25 million that has been given in quiet money could have been spent on these projects and would have made a difference. The problem is that the New South Wales Labor government is a city-centric government. ‘New South Wales’, it used to say, ‘stands for Newcastle, Sydney and Wollongong when it comes to funding.’ Now it is just stands for ‘S’—the Sydney government. It thinks of nothing outside the Sydney CBD area.

With the roadworks on the Pacific Highway, which are now 50 per cent funded by the federal government, we have seen the Raymond Terrace bypass come into operation since 1996, when I was first elected. We have seen the upgrading that has taken place between Raymond Terrace and Karuah. We have seen the Karuah bypass completed and recently the section between Karuah and Tea Gardens as well. Even though it was part of the original plan, the state Labor government refused to build the flyover. Originally costing somewhere between $5 million and $8 million, it has blown out to $16 million. When you do not want to build something, you just keep jacking the price up. I say to you that when people sit there with no flyover and they see the New South Wales state government spending $25 million of their money on delaying a project until after the election—so that they do not have the inconvenience of traffic jams and problems that have occurred with the Eastern Distributor—they get angry. They get angry because they want to see this flyover built.

Very shortly we will see the work get under way from Tea Gardens to Bulahdelah. This will be an exceptional piece of roadworks, but you will have mainstream traffic continuing at 110 kilometres per hour with no flyover—at perhaps one of the most dangerous intersections in New South Wales. It has been identified by the NRMA as a critical piece of infrastructure. I call on the state government to honour its funding agreements. 

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

BROADCASTING LEGISLATION AMENDMENT BILL 2007

Second Reading

Debate resumed from 15 February, on motion by Mr McGauran:

That this bill be now read a second time.

Mr ALBANESE (Grayndler) (10.29 am)—I rise to speak in support of the Broadcasting Legislation Amendment Bill 2007. Labor supports this bill as a small but sensible regulatory reform to increase the volume of Indigenous programming on community television. The bill makes a technical amendment to the Broadcasting Services Act 1992 to provide retransmissions of television narrowcasts with the same regulatory exemptions as retransmissions of
television broadcasts. At present, parties transmitting unaltered content from television broadcasters are exempt from the regulatory obligations imposed under the Broadcasting Services Act. This bill amends section 212 of the Broadcasting Services Act 1992 to extend the existing broadcasters’ exemption to the unaltered retransmission of content from television narrowcasters.

This exemption allows parties to retransmit content provided by National Indigenous TV Ltd, an Indigenous television content aggregator, on Imparja television’s channel 31 satellite narrowcast service. The bill also makes amendments to the Copyright Act 1968 to exempt self-help providers from the obligations of the act and to apply the statutory licence copyright collection scheme to retransmissions of National Indigenous TV Ltd content.

In summary, the cumulative effect of the amendments contained in this bill is to place someone who merely transmits National Indigenous TV Ltd content in the identical position to someone retransmitting a national, commercial or community service. These minor regulatory exemptions are easily justified by the resulting benefits associated with increased Indigenous programming on Australian television.

The Australian Labor Party supports these objectives. Certainly, I well recall attending the Garma Festival near Nhulunbuy some five years ago when I was parliamentary secretary to the shadow minister for Aboriginal and Torres Strait Islander affairs. The impact that it had there is certainly something which Indigenous communities are very appreciative of, and it is important in terms of the maintenance of Indigenous culture.

National Indigenous Television Ltd is currently aiming to put the first of its programming to air in May 2007. As such, the amendments contained in this bill need to be in operation before this time to ensure that simple retransmissions of this content do not fall foul of either the Broadcasting Services Act or the Copyright Act. It is for this reason that Labor has supported this bill’s speedy passage through the House. I commend the bill to the House.

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.32 am)—I would like to thank the member for Grayndler for his contribution to the debate today. We appreciate the fact that the Labor Party will be supporting this bill in the House. The bill at hand makes a number of changes to the Broadcasting Services Act 1992 to facilitate the commencement of the National Indigenous Television service later this year. The regulatory regime established by the Broadcasting Services Act 1992 creates various obligations on broadcasters. Section 212 of the act specifically exempts from most legal and regulatory obligations services that are merely unaltered retransmissions of the signals from a commercial, national or community broadcaster. However, there is currently no similar exemption for retransmission of signals from narrowcasters. This means that, without this bill, retransmission of National Indigenous Television programming will not be covered by the exemptions offered to the other broadcasters under section 212. Many remote Indigenous communities will retransmit NITV programming from the satellite, as do the ABC, SBS and the commercial services.

The legislation is vital for the future distribution of NITV programming. If it were not to go through, retransmitters in remote areas would be liable for broadcasting without the appropriate licence and would be theoretically responsible for the content of the service. They would also be financially liable to the underlying right holders for payments of royalties. The minor amendment proposed by this bill will not only protect Indigenous communities doing no more
than retransmitting NITV programming but also remove any disincentive for other carriers, such as pay TV broadcasters, to carry NITV programming by extending the statutory licensing scheme in part VC of the Copyright Act 1968 to apply to retransmission of that programming. I commend the bill to the House.

Question agreed to.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.

OFFSHORE PETROLEUM AMENDMENT (GREATER SUNRISE) BILL 2007
Cognate bill:

CUSTOMS TARIFF AMENDMENT (GREATER SUNRISE) BILL 2007
Second Reading

Debate resumed from 14 February, on motion by Mr Baldwin:
That this bill be now read a second time.

Mr McMULLAN (Fraser) (10.35 am)—This is the first time I have spoken with you in the chair, Deputy Speaker Secker. Welcome. I can assure you that you will enjoy the task. It is great fun and you can sound really intelligent because the advice you get is fabulous.

The Offshore Petroleum Amendment (Greater Sunrise) Bill 2007 seeks to amend the Offshore Petroleum Act 2006 in order to put in place the necessary domestic arrangements for Australia to meet certain international obligations once the Offshore Petroleum Act 2006 comes into force. Those obligations originate from the agreement between Australia and Timor-Leste relating to the unitisation of the Sunrise and Troubadour fields: the International Unitisation Agreement or IUA. The Customs Tariff Amendment (Greater Sunrise) Bill 2007 seeks to make consequential amendments to the Customs Tariff Act 1995. I indicate at the outset that the Australian Labor Party will be supporting the passage of both these bills.

The Greater Sunrise resource located in the Timor Sea contains an estimated 8.4 trillion cubic feet of natural gas and 295 million barrels of condensate. The international framework for the exploitation of Greater Sunrise has been established by a number of agreements between Australia and Timor-Leste. The Timor Sea Treaty signed in May 2002 defined the Joint Petroleum Development Area and allows the two countries to jointly develop that area pending agreement on a seabed boundary. The Greater Sunrise field straddles the border of the Joint Petroleum Development Area. The treaty attributes 20.1 per cent of the field, known as western Greater Sunrise, to the Joint Petroleum Development Area and 79.9 per cent to an area of sole Australian jurisdiction.

The International Unitisation Agreement signed in March 2003 provided a framework for the joint exploitation of the Greater Sunrise field by unifying the field under the two jurisdictions for production and apportionment purposes. This is necessary because, although the field straddles two jurisdictions, effective management of the petroleum resource requires that Greater Sunrise be exploited as a single resource; a process known as unitisation. Without unitisation of the resource, production from one part of the area in question could be to the detriment of the resource as a whole or to those with an interest in the resource on the other side of the boundary.
The administration of the western Greater Sunrise area is to be carried out by the Timor Sea Designated Authority, the body responsible for the management of the Joint Petroleum Development Area. The eastern Greater Sunrise area, that part of the field which falls outside the Joint Petroleum Development Area, is to be administered under the Offshore Petroleum Act 2006. Certain amendments to that act are required to ensure consistent arrangements for the exploitation of the Greater Sunrise field.

In 2004, parliament passed legislation to implement the International Unitisation Agreement. Since that time the body of law governing offshore petroleum resources has been replaced. What was for many years the prevailing legislation, the Petroleum (Submerged Lands) Act 1967, is to be superseded by the newly passed legislation, the Offshore Petroleum Act 2006. That is part of the reason we have these amendments before us today—they are required to put in place the necessary domestic arrangements required under our unitisation agreement with Timor-Leste.

The bill establishes a principal Northern Territory offshore area and a new eastern Greater Sunrise offshore area. The latter is to fall under sole administration of the Commonwealth. It also establishes the Greater Sunrise Offshore Petroleum Joint Authority while ensuring that the Commonwealth-Northern Territory Offshore Petroleum Joint Authority continues as the joint authority for the principal Northern Territory offshore area. The powers of the Greater Sunrise joint authority are to be invested in the Commonwealth minister.

The bill also clarifies those persons who can act as a delegate of the joint authority. Further, it provides that project inspectors for the Greater Sunrise area will have standard powers of inspectors under the act. The bill will also insert into the act a section which enables satisfaction of the terms of the IUA, which requires the two nations to act in concert on matters relating to the development of the Greater Sunrise unit area.

The bill also seeks to insert new requirements for persons seeking to hold a licence to recover petroleum under the act. These will ensure a consistency in licensing across the Greater Sunrise area. In addition, the bill seeks to make certain amendments which will ensure the smooth operation of joint authorities once the Petroleum (Submerged Lands) Act is repealed and the replacement section, chapter 2 of the Offshore Petroleum Act, comes into force on proclamation. The bill seeks to add a new schedule to the act providing the coordinates of the Greater Sunrise areas.

The bill also deals with some minor technical amendments to the Petroleum Resource Rent Tax Assessment Act 1987 and the Radiocommunications Act 1992. Some of the provisions in the bill deal with regulation-making powers of the Governor-General and the minister in the administration and implementation of the legislation.

The major debate we are having relates to the Offshore Petroleum Amendment (Greater Sunrise) Bill 2007, but we also have before us the consequential bill, the Customs Tariff Amendment (Greater Sunrise) Bill 2007, which makes necessary amendments to the Customs Tariff Act 1995 to conform with the other changes that have been made in the principal bill.

On a related issue, I would like to make some brief comments in reference to the Treaty on Certain Maritime Arrangements in the Timor Sea. There has been understandable and in fact considerable criticism of the way the Howard government has conducted itself in treaty negotiations with our neighbour Timor-Leste over the last few years. Labor understands, however,
that the parliament of Timor-Leste voted on Tuesday, 20 February, to accept the treaty by a vote of 48 to five, with three abstentions. Given this emphatic support for the treaty, Labor is satisfied with that treaty arrangement.

Unfortunately, the Minister for Foreign Affairs has bypassed the normal parliamentary process by which the treaty would be examined by the Joint Standing Committee on Treaties prior to ratification. The committee was able to begin its examination only in recent days because the foreign minister failed to table the document for a year after it was signed. The foreign minister then, quite unfortunately, invoked the national interest exemption to bypass the treaties committee process. I am advised that earlier this month the foreign minister said that the East Timorese elections had no bearing on the treaties processes of the Australian parliament but, on 22 February, the minister wrote to the treaties committee stating that the reason for his decision to invoke the national interest exemption was the forthcoming East Timorese election. Both those statements cannot be right.

This is an unfortunate way to handle an important international agreement and shows a lack of respect—I would suggest an arrogance—on the part of the government towards the proper processes of the parliament. It is the sort of thing that happens after being in power too long. Nonetheless, as I have said, Labor will be supporting the bills before us. We have concerns about that process but it does not go to the merits of the legislation. The legislation is, in our view, noncontroversial and is designed merely to ensure that Australia has in place the necessary arrangements to meet our obligations under the International Unitisation Agreement. Accordingly, the opposition will be supporting these bills.

Mr TOLLNER (Solomon) (10.44 am)—Mr Deputy Speaker Secker, how glad I am to see that you are in the chair today. The purpose of the Offshore Petroleum Amendment (Greater Sunrise) Bill 2007 is to incorporate into the Offshore Petroleum Act 2006 the Greater Sunrise unitisation agreement, which gives effect to the Agreement between the Government of Australia and the Government of 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. I was very fortunate to have been able to accompany the Minister for Foreign Affairs to that significant treaty signing. It was a memorable occasion for me, particularly being from the electorate of Solomon, so close to East Timor.

The agreement provides the framework for the development and commercialisation of the petroleum resources in the Sunrise and Troubadour fields, which are collectively known as Greater Sunrise. This resource straddles the border between the Joint Petroleum Development Area—which is the area of shared jurisdiction between Australia and East Timor established by the Timor Sea Treaty—and an area of Australian jurisdiction. The bill will allow for the development of the Greater Sunrise petroleum resource for the joint benefit of Australia and East Timor. The Timor Sea has emerged as one of the world’s great gas provinces and is the nation’s best option for future production of natural gas. Part of the Timor Sea is subject to overlapping territorial claims by Australia and Timor-Leste. This area contains extensive resources of oil and gas and two major petroleum development projects are underway or proposed: the Bayu-Undan field and the proposed Greater Sunrise field.

Around 88 per cent of this nation’s gas reserves are located off the coast of the Northern Territory and northern Western Australia. The Timor Sea reserves are sufficient to provide the nation with 400 petajoules of gas—energy every year for 50 years—which is almost 50 per
cent of all Australia’s current gas consumption and 10 per cent of the nation’s total current energy use from all sources. Greater Sunrise is a world-class resource estimated to contain some eight trillion cubic feet of natural gas and 295 million barrels of condensate. Development of the Greater Sunrise field has the potential to deliver significant benefits to both Australia and Timor-Leste. The benefits include investment and employment as well as plenty of export revenue for both countries. Should commercialisation proceed, Darwin’s proximity and size should ensure that it becomes heavily involved in the project. Accordingly, Darwin and the Northern Territory generally will benefit significantly from this major boost to economic activity in our region.

The Bayu-Undan field is operated by ConocoPhillips Australia and has recoverable reserves of more than 3.4 trillion cubic feet of natural gas and approximately 400 barrels of liquid hydrocarbons. Stage one of the Bayu-Undan development—the liquids stripping phase—became operational in March 2004. The second stage—gas development, which included the construction of a $750 million 500-kilometre underwater pipeline from Bayu-Undan to an LNG plant near Darwin—was completed in 2005.

In February 2006 the first shipment of liquid natural gas left Darwin from the newly commissioned $1.75 billion 3.24 million tonnes per annum LNG plant in Darwin harbour. LNG is sold from this plant to the Japanese energy companies under a 17-year contract. The plant is geared for new gas developments in the Timor Sea, with approval for expansion of up to 10 million tonnes per annum of LNG production. Needless to say, this development in the Darwin harbour has spurred economic activity and created jobs. There was a boom in the construction industry when Bechtel and ConocoPhillips Australia were constructing the plant. We now have the foundation stone for a real gas hub to occur in Darwin. There are plans to develop the Blacktip field in the Southern Bonaparte Basin to supply the Northern Territory’s own energy needs for the long term.

A gas sales agreement has been signed between the Northern Territory’s Power and Water Corporation and energy developer ENI Australia to meet the Northern Territory’s electricity needs for the next 25 years. The agreement will see Power and Water purchase around 750 petajoules of gas which will be used to run power stations in all regional centres from Alice Springs to Darwin. A separate gas transportation agreement between Power and Water and the Australian Pipeline Trust will lead to the construction of the 275-kilometre Bonaparte gas pipeline, linking the gas processing plant at Wadeye to the existing Amadeus Basin to Darwin gas pipeline.

The development of Greater Sunrise will also stimulate more investment in petroleum exploration and development in the Timor Sea, which will be in the interests of Australia and in particular of East Timor. On that basis, it is estimated to provide Australia with about $10 billion in upstream revenue over the life of the field. This resource is shared between Australia and East Timor under the Timor Sea Treaty on the basis of 79.9 per cent to Australia and 20.1 per cent to East Timor. The apportionment ratio can be changed in the future if the countries agree to a redetermination based on newer geological or geophysical data.

The Timor Sea gas reserves have been known about for about 30 years but difficulties have slowed development in the area. The fluctuating world market, international negotiations, East Timor’s independence, corporate rivalry and up-front costs are just a few problem areas I could name. Currently the joint venturers have indicated that they will consider re-evaluating
the project once a framework of legal and fiscal certainty is in place. To win overseas gas contracts, however, the joint venturers need to be very confident about the regulatory regime which will apply over the resource. Implementing the unitisation agreement through this bill will bring them a lot closer to that position.

I note that the talk is all about exporting this gas overseas. I would also like to see some thought given to supplying Australia domestically with this gas. There is quite a large resource there. It is mainly in Australian waters and it could well be utilised in the future for our own domestic needs.

The Greater Sunrise unitisation agreement includes an article to the effect that the contents of the agreement cannot be used in any way to prejudice either of the countries’ maritime boundaries. 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 jointly to ensure that the administration of the Greater Sunrise operations is coordinated and that recovery operations are conducted in accordance with good oilfield practice. The administrative arrangements will mirror those that apply elsewhere under Australian regulatory control. The main objective of the unitisation agreement is to enable the resource to be developed as a single unit. Without unitisation, resource extraction may be inefficient and inequitable. The bill facilitates a single regulatory regime for the development of the petroleum resource but also allows both jurisdictions to separately administer certain aspects of their respective taxes.

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 component 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 has title to 10 per cent. The part of production from the 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 and which I observed, will be replaced by 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 when it is ratified by Timor-Leste. The treaty on certain maritime arrangements in the Timor Sea, which was signed on 12 January 2006, will set maritime boundary claims between the two nations for 50 years and will lift Timor-Leste’s share of the Greater Sunrise revenues from 18 per cent to 50 per cent. Timor-Leste will shortly be ready to bring these treaties into force.

I will repeat that: Timor-Leste will have 50 per cent of the royalties originating from the Greater Sunrise fields. This is significantly more than was originally bargained for and negotiated, whereby Timor-Leste had 90 per cent of the royalties in the Joint Petroleum Development Area which was, as you may recall, 20.1 per cent of the total Greater Sunrise field, and Australia had royalties from the other 80 per cent of that field. In this case now, Timor-Leste is getting 50 per cent of the total royalties of the whole field. This is a significant move.

I think it is a very generous move by the Australian government to provide Timor-Leste with an income that will allow it to develop an economy based on the recovery of gas in the
Timor Sea. There are several billion dollars in revenues expected to be generated from this field for Timor-Leste and it should never be underestimated what these royalties will do for the Timor-Leste economy. The significant role and the generosity of the Australian government in pulling this deal together should never be forgotten. Obviously, from an Australian government point of view, we also will do very well out of this deal and seeing the exploitation of these resources. From a particularly local point of view and as somebody from Darwin, it also, of course, means more development and jobs for the people of Darwin as this field is put into production, hopefully not in the long term.

Gas is a global business and the Timor Sea holds a window of opportunity that now beckons. It is in Australia’s national interest and, as I said, in Timor-Leste’s national interest that this bill be passed. I am very glad to be here today to support this bill. I have taken a great interest in developments in the Timor Sea over quite some years now and Greater Sunrise has been an issue for Northern Territorians for a long time. We have wanted to see this field developed and have production occur in Darwin. To see that this is now passing through the parliament with the support from the other side heartens me. We are now one step closer to seeing the fruit of all of those efforts on this development which has taken so many years to bring about. I support this bill and I recommend that the House support the bill as well.

Mr ANDREN (Calare) (11.00 am)—The Parliamentary Secretary to the Minister for Industry, Tourism and Resources in his second reading speech introducing this debate called these Greater Sunrise bills a ‘matter of formality’. He also spoke of ‘Timor leased’. With all the connotations that implies—Timor, our tenant indeed!—I hope he uses the correct pronunciation when he sums up this legislation. Regardless of this government’s ability to correctly draft legislation, our refusal to delineate Australia’s maritime boundaries with Timor-Leste under accepted international conventions—in order to exploit the one major natural resource available to this poorest of the poor nations—is never a matter of formality for me and for many Australians. That this debate has been moved to the Main Committee, the chamber for the debate of non-contentious bills, is indicative perhaps of the government’s wish that the less public attention brought to the so-called agreement the better.

One major aspect of this bill that makes it far from the informality the government wishes it was is the fact that the incorporation into the Offshore Petroleum Act of the Greater Sunrise Unitisation Agreement—an agreement which was much debated in 2004 but not ratified by the Timor-Leste government—was essentially superseded last week with the exchange of notes on the treaty on certain maritime arrangements in the Timor Sea, referred to as CMATS. That CMATS was ratified last week means that this debate is no longer solely about the unitisation agreement as stipulated by the parliamentary secretary, but more about this newly minted treaty—a treaty that delivers East Timor a better outcome than the shameful original unitisation agreement but leaves the new nation with just half its rightful claim to the resources of the Timor Sea.

The government and opposition should be ashamed of the process that took place in 2004 which saw the unitisation legislation rammed through the House in a matter of hours. There was no announcement prior to it being introduced in the House, from memory, and it was debated in haste the morning after a function in this place, with Woodside and other proponents of the deal entertaining the various members of both sides of the House—I must say, with my exception. This debate occurred, to the deep dismay of our Timor-Leste neighbours, in 2004.
It was all about revenue and jobs for Australia, including Darwin and elsewhere, and revenue for Australian shareholders; it was not about jobs and infrastructure that are so desperately required for Timor-Leste. This latest deal is better, but it still represents an exploitation of resources that rightfully belong to Timor-Leste.

CMATS sets out the revenue-sharing arrangements for the Greater Sunrise oil and gas fields. It locks these in by putting a moratorium on any further negotiation of the maritime boundaries between the two countries for 50 years beyond the expected 30-year life of the Greater Sunrise project. This kills off any opportunity for Timor-Leste and the UN to show that under internationally agreed conventions regarding maritime boundaries, Greater Sunrise and other fields lie wholly within the territory of Timor-Leste. If the government believes this will not be the case and that Australia has a legitimate claim to a maritime boundary that incorporates oil and gas resources in the Timor Sea, it should not be afraid to have this claim tested under the United Nations Convention on the Law of the Sea in the International Court of Justice.

Australia’s 2002 withdrawal from these processes belies the government’s whole approach to this issue. It is not convinced of the legitimacy of our claims to the oil and gas reserves of the Timor Sea, especially in that half of the gap closest to Timor-Leste. The sharing arrangements under CMATS reflect some of the unitisation agreement that was often used to illustrate Australia’s generosity to its less developed neighbour. As set out in the national interest analysis document in relation to CMATS tabled in this parliament on 6 February this year, the sharing of revenues recognises that 20.1 per cent of Greater Sunrise lies within the area of shared responsibility between Timor-Leste and Australia—the Joint Petroleum Development Area or JPDA—and that 79.1 per cent lies in Australian territory south of the 1972 Australia-Indonesia seabed treaty and east of the JPDA.

Timor-Leste receives 90 per cent of revenues from the JPDA. This is the figure we hear most often from the Minister for Foreign Affairs. This is equal to 18.1 per cent of the total revenue to government available from Greater Sunrise as a whole. The CMATS improves the IUA in that total ‘upstream government revenues’ will be divided fifty-fifty, such that, whatever dollar amount Timor-Leste receives per quarter for its 18 per cent, Australia will pay from its share whatever amount is necessary to equalise this income at 50 per cent each. But it should always be remembered that this deal is only half of what East Timor would be morally entitled to if its maritime borders were properly drawn.

The government may argue that the sharing of revenues under the CMATS means Timor-Leste will begin to receive much needed funds sooner than if the exploitation of the oil and gas fields were delayed for many more years in negotiation under the UN process. It is well within our capacity to allow revenues from the Bayu-Undan field, which lies wholly within the JPDA, to flow whilst the maritime border is properly demarcated, leaving the contentious fields such as Greater Sunrise, Laminaria-Corallina and Buffalo until such a time. As it stands, CMATS also protects our ongoing exploitation of revenues from the Laminaria-Corallina and Buffalo fields, which would also be in Timorese territory under the UN Convention on the Law of the Sea. What hypocrisy it is for this government to celebrate its generosity to the East Timorese under this treaty.

I met yesterday with Fernando Lasama de Araujo, President of Partido Democratico and a candidate for President of Timor-Leste later this year. He said his new party will continue to
seek justice on its sea border and, like most of his countrymen, he is angry at the failure of the petroleum industry to deliver any real employment and infrastructure to Timor-Leste, where unemployment is rampant, political and social unrest is critical, a manipulative few are feathering their own nests, and there is precious little infrastructure, beyond wasteful Taj Mahals like the new foreign affairs building in Dili, to stroke the ego of several prominent people, it seems.

Political and social priorities seem to be sadly askew in East Timor and this economic rip-off adds to the cynicism among the poor. Do we really believe we have the trust of the people of Timor-Leste? Do the people of Timor-Leste really regard this deal as generous, as the member for Solomon just told us? It is the right of two nations to negotiate binding arrangements with regard to their borders, regardless of international conventions, but the government has extracted 50 per cent more of what Australia would be entitled to if the maritime boundaries were properly demarcated in line with international conventions. In the debate on the unitisation agreement, in that hastily-rammed-through bill back in 2004, I said:

The one thing that I am happy with in this whole process is that this agreement and the Timor Sea Treaty will not prejudice the delimitation of a maritime border between the two countries, but the oil could well have run out before we get to that point.

This is no longer the case with CMA TS. Both countries are locked in to this sharing arrangement until the oil and gas are exhausted. With this treaty and this bill, we have pushed a poor developing nation—the world’s youngest democracy—into giving up half of its rightful claim to revenue from the natural resources that will ensure its future development for decades to come. Indeed, it is not too long a bow to draw to say that the deal that has been struck is instrumental in fomenting the current situation in Timor-Leste—the feeling of mistrust and of having been let down, and the feeling that they are being overlorded by a new colonial master in this whole process.

I can sheet home the blame for much of the unrest in Timor to the feeling of complete abandonment felt by many of the people of Timor-Leste. I hope that, in the elections to come, they can be properly represented in parliament. I learnt only this week that their parliament has proportional representation, which is fine, but the members of parliament are delivered by the party winning that share of the vote and are not truly representative of the people of the hamlets and those impoverished areas of Timor-Leste that are crying out for a true democracy in their country.

There is a system in place that delivers power to only those, it seems, who have a position that they have obtained through various means over the years. There seems to be scant regard generally for the democratic instincts and the fortunes of the Timorese people. That could be addressed with a proper parliamentary process and proper representation. I hope that the democratic party is one that will deliver fairer representation, if indeed it achieves its hoped-for 35 per cent of the vote at the elections. I hope any other parliamentary party in Timor-Leste develops processes that deliver true democratic outcomes, because without that there is going to be a continuation of the unrest, the bitterness and the sectional feuding that we see at the moment. We see people living in fear in refugee camps within their own fledgling democracy. The leadership there seems to have failed them.

Let us not be too precious about this when we try and analyse what is happening over there. I truly believe that the short-changing of the people of Timor-Leste by this Timor oil
process is very much part of their feeling of disillusionment about their rightful place in the world, their right to their resources and their right to build a strong and vibrant democracy—one that is based on a fair capitalist process that enables them to build on their natural capital and to make a country with the resources, the skills and the unified population that it could if given a fair chance. One cannot deny Timor-Leste the vital revenue it will receive via this legislation, but it is a deal brokered with Timor-Leste literally over a barrel.

Mr SNOWDON (Lingiari) (11.12 am)—Firstly, I thank the member for Calare for his insightful presentation. I am not sure that I agree with all of it, but I do think he raised some very relevant and pertinent issues that we ought to be thinking about in this place. You may know, Mr Deputy Speaker Secker, that I have been close to East Timor for many years. It is true to say that, whilst the outcome of the arrangements to do with Sunrise and the area to the north is important and will provide significant revenues to East Timor over the next 20 years—anticipated to be at least $10 billion—it may well have been more had greater weight been given to the arguments which were represented by the East Timorese in their negotiations with the Commonwealth. This legislation establishes a framework for Australia to meet its obligations under the agreement between Australia and the Democratic Republic of Timor-Leste relating to the unitisation of the Greater Sunrise petroleum source when the Offshore Petroleum Act 2006 comes into force.

I think it is worth spending some time looking at some of the issues here. So that we can understand what this unitisation process means: where a petroleum resource, whether it is comprised of one or more pools, straddles borders, production rights or boundaries between administrative systems, sound resource management often requires the resource to be developed as a single unit. This is what we now know here in the context of this legislation as the unitisation of a petroleum resource. In the absence of unitisation, production from one part of a resource could be to the detriment of the resource as a whole or to those with an interest in the resource on the other side of the boundary.

The member for Calare commented on the agreement reached in 2003 between Australia and Timor-Leste about arrangements to govern unitisation of the Greater Sunrise petroleum resource. This resource straddles the border of the Joint Petroleum Development Area, which is the area of a shared jurisdiction between Australia and Timor-Leste, established by the Timor Sea Treaty and in an area of sole Australian jurisdiction located within the Northern Territory offshore area.

In 2004, Labor supported the unitisation implementation legislation as it did put in place arrangements necessitated by the unitisation agreement reached between Australia and the government of Timor-Leste. At the time, however—and it is in the context of the contribution from the member for Calare—we did raise concerns over the Australian government’s handling of negotiations with Timor-Leste over the various treaties and agreements regarding petroleum resources in the Timor Sea. We have raised concerns in this parliament over the legislation necessary to meet Australia’s obligations under these treaties and agreements.

On 12 January 2006, Australia and East Timor signed the Treaty on Certain Maritime Arrangements in the Timor Sea; the CMATS treaty, which was again referred to by the member for Calare. The CMATS treaty includes setting aside Timor Sea maritime boundary claims for 50 years—commented on extensively by the member for Calare—enforcing the Greater Sunrise international unitisation agreement, the IUA, and increasing East Timor’s share of Greater
Sunrise revenues from 18 per cent under the IUA to 50 per cent. On 23 February 2007, Australia and East Timor conducted a formal exchange of notes in Dili, formally notifying each other that the domestic processes for the entry into force of the treaty were complete. The CMATS treaty and the IUA are therefore now legally binding on both Australia and Timor-Leste.

I note that the member for Calare went over the extensive debate which exists in the public domain about the issue of the maritime boundary between Australia and Timor-Leste. I must say that I personally have some sympathy for the position he put, because it is clear on any reading of this agreement and of the treaties that have been entered into that Australia does very well out of these arrangements. It could be argued—certainly by some it is—that that has been to the detriment of the people of Timor-Leste. It is no doubt true that, in the context of the economic situation that prevails in Timor-Leste, it was in the interests of the government of Timor-Leste to sign an agreement at some point because of their need for revenues for what is a very poor community.

I note that observations have been made by the member for Calare about the leadership of the government of Timor-Leste in those negotiations. I have no doubt in my mind at all about the very vigorous way in which the government of Timor-Leste argued their case with the Commonwealth—and with the support of advocates from the United Nations and elsewhere. They very forcefully put the case that the boundary issue needed to be settled in a timely fashion to give greater recognition to their claims over the revenues that would arise out of the development of the Greater Sunrise field and of the area in dispute at the time should the boundary be recognised in the form that they requested it.

We now know that, as a result of this treaty, the boundary issue cannot be addressed for at least another 50 years. In that sense, the horse has bolted. But there are other issues which are again in debate, including how this gas facility at Greater Sunrise will be developed. For example, will there be a floating platform facility and, as has been proposed by the Northern Territory government, a pipeline to Darwin to develop a facility on the mainland or, as has been argued by the government of Timor-Leste—and properly so from their perspective—a pipeline to Timor rather than to Darwin?

That is an issue which is yet to be resolved. But it is clear that, despite the arguments that have been put by some advocates in this country, consultants and experts in the field have found that it is possible to build a pipeline to Timor. The question of course is whether or not that will happen. Ultimately, it will be a commercial decision made by the joint venture partners in that field. But we should not run away from the fact that it is still a live debate. Nor should we run away from the fact that ultimately a decision could be made for a pipeline to go to a production facility in Timor-Leste rather than to Australia.

As an advocate for Northern Australia, of course I would argue that the pipeline should go to the city of Darwin. We know from figures produced as a result of a case put to the Commonwealth by the Northern Territory government that there is an argument that, if Sunrise gas is not piped to Darwin, the nation could forgo value-adding development and gas market competition opportunities worth at least $1 billion per annum. The estimated additional annual national economic benefits of the integrated pipeline option to Darwin over and above the floating liquid natural gas, FLNG, option include over $250 million in household consumption, $35 million in real investment and between $700 million and $900 million per an-
num during the construction phase, $715 million in net exports, employment of an additional 4,400 persons and $110 million in government revenues. It would provide an increase of 46 per cent to the GSP of the Northern Territory and for the whole of Australia an increase of $4 billion in GDP. It would provide an increase in real investment to the Northern Territory economy of $82 million and overseas exports from the Northern Territory of over $3.3 billion. It would provide a permanent employment boost of 5,156 in the Northern Territory and almost double that figure for Australia generally.

There is no doubt that there is a very strong case for piping this gas to Darwin for production. The question of course is whether or not that will take place. There will be a strong position put by the government of Timor-Leste, whichever government it might be subsequent to the presidential elections in April and then the general elections which will take place in June or July in Timor-Leste. No doubt they will be properly advocating, as they should, that the development facilities should be built in Timor-Leste.

But we need to also cogitate for a moment that, given the debate about climate change, if we were to develop the facility in the way in which it is being proposed by the Northern Territory government, we would save at least 7.3 million tonnes of CO₂ equivalent per annum compared with the option of a floating liquid natural gas development. When we are contemplating how this Sunrise field might ultimately be developed, I think my colleague the member for Batman, who was previously responsible for this area of policy in the Labor Party, will attest to the enormous potential that exists right across the north of Australia, in the seas to the north and north-west of Australia, for the development of natural gas and the ultimate contribution that that development could make not only to our economy but also to the war we seem to be waging on the issue of climate change.

I was told last week that we are talking huge figures—billions of dollars—in terms of potential development of natural gas resources off the coast of Western Australia. If you add the Sunrise field into that mix and the other potential off the coast of the Northern Territory, in particular, you can see the value of this to the Australian economy. But we should not lose sight of the fact that we have partners in this exercise: the government of Timor-Leste. We should therefore be ensuring that, whatever outcomes exist, there is a flow-on economic benefit to that community.

I note the comments made by the member for Calare about the governance arrangements in Timor-Leste. He also expressed his frustrations about the government type. But let us be very clear about this: Australia was a partner of the United Nations in the proposals which led to the current governing structures in Timor-Leste. We have seen issues of great moment in the Timor-Leste community and indeed in the international community, such as the decisions by the United Nations to extend its presence there for another 12 months. There is no doubt there is a lot of civil disruption and concern being expressed by people—for example, the recalcitrant army officer who recently raided a defence facility and stole weapons is of major concern to many people involved in the political process in Timor-Leste. They are going through a very difficult period.

Whatever consideration the Australian government might be giving in relation to the Sunrise field—and I am aware of the very important role that the Australian defence forces have been playing since 1999—we should ensure, as far as possible, that there is fairness in the...
treatment of all political parties in Timor-Leste, through whatever influence we might be able to bring to bear on those forces within the country, including through the United Nations.

It is very important for this region that, once the presidential election takes place, it is an open and fair contest between those people who put their names forward and that we get an outcome which is seen as fair and reasonable and then, later, when the general election takes place, that we get a similar outcome. There is a plethora of political parties who are entering the contest in Timor-Leste and that is of great moment for us here. Observing the development of democratic institutions in a place like Timor-Leste, which has suffered so much over so many years, including the loss of hundreds of thousands of lives, we should pray that that democratic process finds a happy solution in the form of a properly elected and respected government after the election of a new president.

My contribution to this debate is almost at an end, but I do want to reinforce the view that this process is not a ‘winner takes all’ exercise. We should be ensuring that, whatever dealings we have with Timor-Leste, they are seen as open and fair. An argument has been put most eloquently by the member for Calare that the outcome in relation to this arrangement over Sunrise has not been appropriately open and fair, particularly as a result of this government’s unwillingness to address the seabed boundary issue.

Mr MARTIN FERGUSON (Batman) (11.28 am)—I welcome the opportunity to make a few remarks concerning what I think is a very important bill. Like the member for Lingiari, I acknowledge that the point at which we are currently arriving with the Offshore Petroleum Amendment (Greater Sunrise) Bill 2007 has been a long time coming. I think this piece of legislation is exceptionally important not only to the future of East Timor but potentially to the stability in the region in which we operate—our backyard. I say that because the Offshore Petroleum Amendment (Greater Sunrise) Bill 2007 and the associated Customs Tariff Amendment (Greater Sunrise) Bill 2007 are a welcome further step towards establishing the necessary framework for the future development of petroleum resources in the Timor Sea.

Those who follow this industry appreciate that you are not going to get investment in economic development unless there is some certainty about the investment framework that surrounds such an investment. Today’s bill is about creating an investment regime that can lead to investment of long-term benefit, to economic development in East Timor, to economic prosperity in Australia and perhaps, more importantly, to political stability in the region in which we operate. We also appreciate that the path towards development has been a long one. The interests of both Australia and East Timor will be best served by the Greater Sunrise petroleum resources being developed as soon as possible.

On the basis of this investment framework, I hope we now get some concrete decisions on potential development in this region. In particular, I note that the development of these resources will generate for East Timor revenue that is desperately needed to rebuild an independent and sustainable future. That is not only important to East Timor; it is important to the whole region in which we operate. If we get it right, we can create an economic platform for development in East Timor which enables that fledgling economy to invest in improved health services and education, and in opportunities for training, infrastructure development and job creation. That in turn is central to overcoming some of the domestic problems which confront the fledgling government of East Timor.
East Timor is a fledgling nation in the international community. We all understand, because we are all friends of East Timor, that East Timor has faced more than its fair share of trials and tribulations in recent times. Since the Prime Minister proposed to Indonesia in late 1998 that it was time for a long-term process of autonomy for East Timor, the path to independence proceeded rapidly, with the East Timor elections held in 2001. As many warned at the time, East Timor, by going down that path so rapidly, faced a difficult road ahead to achieve security and safety for its people, the establishment of robust government processes and economic security. Those fears have proven to be true. For that reason we on this side believe Australia has an obligation to continue to help East Timor to achieve security for its people. Federal Labor fully supported the deployment of troops to restore law and order in East Timor last year.

Hopefully, the investment regime that we are creating under this bill will remove the need in future years for Australia to get involved in the policing of East Timor. If East Timor has people who are idle, who are without proper health and education services and employment opportunities, then it is going to get criminality and instability in its streets. In that context, I believe that we must work with East Timor to improve governance, reduce corruption and build an economically viable and self-sustaining nation. We as a nation can no longer afford failed states on our doorstep. We have enough problems in the Pacific with nations such as Papua New Guinea, Fiji and the Solomon Islands. The last thing we need is to have East Timor end up in the same basket—with instability and no possibility of economic development and sustainability in the years to come.

East Timor’s status as an independent nation amongst all others, we believe as a party, is a tribute to the resolve of its people. They have come through a lot over a very short period. This legislation is about offering a helping hand, about trying to create an environment that will lead to economic development through investment by the private sector and that will guarantee the future of East Timor economically and also politically. But the resolve of the people is not enough for a country such as East Timor to take its place amongst the prosperous nations of the planet. East Timor continues to face significant economic and social challenges in its desire to front up to nation building, including re-establishing essential social services, revitalising the economy, generating employment and achieving food self-sufficiency. The development of East Timor’s petroleum resources and the funding that will flow from it is vital to the country’s economic and social development. Without it, we condemn East Timor to no future at all. That is why this legislation is so important.

The passage of the bill is a small step for Australia to take in enabling this development to occur. I also want to acknowledge that the commercial development of these fields is still likely to be some time off in the future and will be the subject of appropriate negotiations between the developers of the fields, the East Timorese government, the Australian government and the buyers of LNG. All we are doing today is creating a platform for those negotiations to move forward, to realise real investment which opens up those fields to the economic benefit of Australia and East Timor. We are a long way from that point at this time.

For that reason, in the meantime we as a nation have to be concerned today about poor government standards, including corruption, money laundering, organised crime and human rights abuses. We have a special responsibility to assist the government of East Timor in resolving those issues because, if we do not, they themselves will be a barrier to economic development. Companies will be hesitant about investing in East Timor because of the potential
instability of government and a fear that their own workforce will have their lives endangered if they invest in East Timor.

So the legislation creates a platform but, to build on that platform, we have to overcome these problems so that East Timor becomes an attractive place for investment, just as Australia is an attractive place for investment, not only because we have an educated workforce which has the skills to carry out the necessary investment but also because we are politically stable and therefore investment by business is secure. There are issues of poor government standards, corruption, money laundering, organised crime and human rights abuses. Those challenges are just as important as the legislation before the parliament this morning.

We also have to be vitally concerned about poverty, illiteracy, low skills, unemployment, poor health, lack of clean water and energy supplies, and natural resources management. You are not going to get investment from the private sector unless workers are educated and skilled enough to do the work on the ground. So hand in glove with legislation such as this is the responsibility of the Australian government, with the international community and NGOs, to do something practical on the ground to overcome the huge social challenges that confront East Timor at this time.

The unsustainable management of natural resources will also potentially have negative economic, environmental and social consequences in the long term for East Timor. I believe we have seen many Pacific countries suffer from the resources curse. Abundant natural resources become a source of corruption and ultimately conflict. You just have to look at places such as the Solomon Islands and Papua New Guinea to see evidence of that. The Panguna mine led to civil war in Bougainville, Fiji’s mahogany plantations were behind the 2000 coup and unsustainable logging contributed to conflict in the Solomons—and it still contributes to conflict in the Solomons. That is one of the problems that also confronts Australia in terms of the forest industry. Illegal logging undermines not only our own industry but also our desire to front up to our environmental obligations as an international community.

I simply say in speaking to this bill today that it is our responsibility to not only negotiate hard with East Timor to achieve a fair outcome in these developments but also work hand in glove with East Timor to ensure that they do not succumb to this fate. We must have a healthy East Timor with a robust civil community and a thriving economy. That is not just good for East Timor; it is also good for Australia in terms of our own political stability in the international community. For that reason, while the development of petroleum resources offers a source of hope—and that is all it is at the moment: it is a source of hope to build on in the future and greater opportunity for the future—the truth is that we are a long way from reaping those benefits, either for Australia as a nation or perhaps, more importantly, East Timor as a fledgling nation at this time.

I remind the government today that it is its responsibility to work with East Timor on behalf of the people of Australia to find other economic, employment and training opportunities and to develop that country in the meantime. We cannot work on the basis that their future is all dependent upon the potential development of these fields. It is also up to the people of East Timor to avoid the trap of putting all their eggs in one basket—just as, for example, we have gone out of our way to diversify the economies of our smaller states such as Tasmania and South Australia. In South Australia, which has been heavily reliant on the automobile industry for so long, the future expansion of Olympic Dam is an absolute must. Major expansion of the
uranium industry is about diversifying the South Australian economy and securing the eco-
nomic future of South Australia. Similarly, in Tasmania, people want to close down the for-
estry industry and say that the future of Tasmania is all dependent upon tourism. What a bleak
future for Tasmania if all our eggs are put in one basket. Not only is tourism important; so is a
sustainable timber industry. It is about time Senator Bob Brown, who was born not in Tasma-
nia but in Western Sydney, understood the importance of the forestry industry to Tasmania. I
raise these issues, Mr Deputy Speaker Adams, which I know are dear to your own heart as a
Tasmanian who is proud to stand up for the economic interests and job prospects of Tasmani-
ans.

I throw up these few examples to remind Australia of its responsibilities to ensure that East
Timor has diverse economic opportunities and avoids the trap of putting all its eggs in one
basket. I simply believe that economic empowerment for education and training, jobs and sus-
tainable resource industries is the true path to a stable and prosperous East Timor. I also say in
conclusion that, unlike the minister, I do not think nuclear power is vitally important to the
future of East Timor. He also has to assist in broadening East Timor’s horizons as to what is
possible in the future. In that context, it is gas in association with a variety of other industries.
This, more seriously, is the hope that we should hold out for all our neighbours.

Today’s bill has been a long time coming. It has not been easy for Australia or East Timor,
but it is good that these negotiations have been completed. It is good to see the leadership of
the President of East Timor and to see the parliament actually nailing down this legislation in
recent times because we now have a platform which creates certainty for investment. Let us
hope that East Timor will grasp the opportunity and go ahead, with a helping hand from Aus-
tralia. I commend the bills to the House.

Mr FITZGIBBON (Hunter) (11.43 am)—Mr Deputy Speaker, I know that you will agree
that former resources spokesmen do not grow old; they just grow wiser. On that basis I am not
surprised to see the member for Batman making such a substantial and significant contribu-
tion. I know the minister at the table, the Minister for Industry, Tourism and Resources, Mr
Macfarlane, will not be surprised to see me here at least attempting to make a substantial con-
tribution. I note that the minister at the table is not yet a former resources spokesman, so I am
not sure whether my remarks about growing wiser apply to him, but we will give him the
benefit of the doubt.

I maintain a very deep-seated interest in matters relating to our resources sector. Also, in
my new shadow portfolio of defence I take a very keen interest in the stability of our region,
particularly the parts of the region closest to home. Nothing can be more important to Austra-
lia’s national security than a stable East Timor—of course, that applies to all of that region.

The Offshore Petroleum Amendment (Greater Sunrise) Bill 2007 is hopefully about under-
pinning and ensuring a stable East Timor, while at the same time exploiting every benefit we
can from our very generous endowment of natural resources—in this case, our plentiful sup-
plies of natural gas, at last count about 150 trillion cubic feet. So I am very pleased to be
speaking to the bill and very pleased to support the bill.

We have been a long time getting here—a long time working out a fair deal both for our
own nation-state and for the East Timorese. Of course, when we look at that problem we do
try to get the right balance between maximising the benefit to our own country and economy
and making sure that we do all we can to get the East Timorese out of impoverishment by
getting that economy bumping along, which the member for Batman spent some time discussing. Hopefully, this far down the path we have that balance right. It has not been easy.

As members of the House know, the boundary between East Timor and Australia on these matters is determined by our continental shelf, which means that our legal boundary extends well beyond our northern shoreline. There are those who think that these days that is not fair and that the boundary should be equidistant from the two nation states. There were those who were pushing very hard for that to be the case. There were also those who were very disappointed at Australia’s decision to withdraw from the jurisdiction of the International Court of Justice, which would have been the independent arbiter on these issues. Thankfully, we are past arguing that. I acknowledge some would not have been happy with that approach. I also make the point that I was not always happy with the government’s approach to those negotiations at that time. It is well recorded that Minister Downer in particular took quite an aggressive approach towards the East Timorese when dealing with those issues.

Hopefully, we can now settle down to the approach we have before us, which is dealing with Sunrise as it sits outside the JPDA, and to the day the unitisation agreement—if I understand the technical aspects—deals not so much with the boundaries but with how you agree on what part of the gas lies where at any particular time, to oversimplify the issue. Hopefully, this is an agreement which, once sealed, will get the right balance between Australia’s economic and strategic interests and the future development and security of East Timor.

Those who were arguing that we should go to an equidistant line, which would have given the East Timorese much more of the resource than we would have secured for ourselves, missed a couple of points. One is the potential implications that has for the resource in terms of Indonesia’s sovereign rights over part of the Greater Sunrise field. Another is that it ignores the fact that, while it would have meant more revenue for the East Timorese, we would have had less control over how that money is spent in East Timor. I do not think it is a criticism of East Timor to say that it is important that Australia, through the allocation of funds to that country, maintains some control over where that money is spent. It has been a politically unstable country for a long time and that instability largely continues. So there is an argument that it is better for Australia to be collecting resource revenue and extending it back to the East Timorese in the form of foreign aid. I think that is an important point to make. These debates are never as easy as: ‘The line should be here and East Timor should be getting more of the resource.’ It has not been simple throughout the course of this debate and will never be simple.

You have to consider the fact, when you are talking about the economics of this issue, that since 1999 we have spent about $3 billion securing East Timor in a military sense. That is another $3 billion you may or may not have to spend in the future if East Timor is standing on its own two feet, enjoys a stable democracy et cetera. So there are always two sides to the equation when dealing with these very complex matters.

I want to pick up a point raised by the member for Batman: these things all have knock-on effects in our resources sector, and we have to look at them in a macro sense. I am delighted the minister is here, because I noticed that Allan Wood in the Australian this morning talked about the $25 billion gas contract to China, which was signed some years ago now. The minister will recall that I very cautiously criticised that contract at the time, and there is a direct link between that and the matter before us. I argued at the time that, while it was certainly
Australia’s biggest trade contract in dollar terms, we were effectively giving the gas away and that all the forecasts for commodity prices generally, particularly energy, were that prices would be rising. Quite frankly, I thought it was a bit of a dud deal for Australia and said so at the time. I was roundly criticised by, I have to say, a few people on my own side, not only by members on the government side, and I found no sympathy in the journalists covering the story at the time.

It is history now that the government won that debate and were able to get away with claiming that it was a great thing for Australia’s economy, and the Prime Minister, the Minister for Industry, Tourism and Resources and the Minister for Trade were all falling over one another to claim credit for the deal. But I think that just last year, when things started to turn sour and people started to realise that it might not have been such a crash-hot deal after all, they were trying to deny having any real or direct involvement in the negotiation of the price. I said at that time that my view and my intelligence was that the Prime Minister went to Beijing and talked to Hu Jintao, the leader in China at the time, and Hu Jintao said, ‘Well, you’ll just have to go back and tell your venture partners that they have to reduce their price,’ and I think that is exactly what the Prime Minister did. It is history now and I think it is an almost uncontested fact that the price was locked in too low, to the great detriment of the Australian economy.

I made two additional points at that time. One was that when other contracts, such as that with Japan, came up for renewal, the Japanese would be naturally asking for the same sort of deal that the Chinese had secured, and that deal was of course at a unit price much lower than Japan was paying at the time. But the other point is more directly linked to what I am now arguing in the bill before us: if you drive the price of LNG down by entering into a deal such as the $25 billion deal with China, for political purposes, for political advantage, it will have knock-on effects such as those with Japan, but it will also have a knock-on effect on the viability of some of our other fields. The member for Batman made the point that Greater Sunrise is still not much more than a proposal, which has been partly held back by the matter we are dealing with today—that is, the agreement on the sharing of resources—and also held back by the sheer economics of the project. If you drive LNG prices down by entering into a deal with China, which is not in Australia’s best interest in any case, you undermine the economics in future fields—you undermine the viability of developing Greater Sunrise. The minister is shaking his head. Let me say it again: if you take an action that drives down LNG prices or puts a brake on the growth in LNG prices, you are obviously playing a role in reducing the price of LNG and therefore you are driving downwards the economics of developing future fields. That is just common sense. It is a matter of fact. That is an important point which is directly linked to the bill before us.

The opposition are committed to a fair outcome. We believe, just as with the original proposals in the original Joint Petroleum Development Area, that this is a fair and balanced outcome. We do not believe the government has handled the issue well on all occasions. In fact, I think the government came very close on a number of occasions to ensuring that this project would never go ahead, or at least that it would not go ahead in the immediate future—and when I say immediate future, in resources terms that is the next 10, 20 or even 30 years—which would have cost both the Australian economy and the East Timorese economy. It would have stalled our attempts to help lift that young country out of its impoverished state and,
therefore, undermined the social structure of East Timor. That in turn would have undermined
the national security and stability in the region, which in turn has ramifications for our own
national security. The government have bumbled along much of the way, but I express the
hope that they have it right this time around and that we have an agreement which is to the
satisfaction of both Australia and our close friends in East Timor. That is not to say that we are
close to realising this project. That is yet to be known.

The other point is that when you force the economics of the project you put greater pres-
sure on the venture partners to consider LNG offshore rather than onshore. If you force down
the price, they will work even harder at improving their margins on the development. That is
one of the things that forced Shell, in particular, to talk about an LNG platform offshore rather
than an LNG facility onshore in Darwin. If that occurs, that will be a great loss to the Aus-
tralian economy. It will mean we will not secure the jobs and money we would have secured
from the onshore project. But it is not just the jobs and the facilities onshore near Darwin; it is
the additional capacity it gives us to pipe that gas further south, particularly to the south-
eastern corner of the country. One of the great frustrations about our great endowment of gas
in this country is that so much of it exists in remote north and north-west Australia, too remote
from the main markets in New South Wales and Victoria. But bringing Sunrise onshore gives
us another choice above bringing natural gas from the North West Shelf to those markets. It
seems the PNG gas pipeline is now a thing of the past. So Greater Sunrise is probably our
greatest alternative to bringing natural gas finally to those great markets in the eastern states
of Australia.

This has been a very important negotiating period. It is about international relations, na-
tional security, Australia’s economic wealth and East Timor’s economic wealth—bringing
them out of their impoverished state so that they can stabilise in future as a longstanding de-
mocracy.

Labor, while making criticisms about the process along the way, are very pleased to sup-
port the bill. We keep our fingers crossed that the outcome will be an effective one and that, at
last, some time in the not too distant future we will get a development which comes onshore
to Australia, fuelling Australia’s economic development. But we hope also that we will have
created a deal which is overwhelmingly in the interest of the East Timorese people and, on
that basis, will make a great contribution to the long-term stability and wealth of that nation.

Mr IAN MACFARLANE (Groom—Minister for Industry, Tourism and Resources) (11.58
am)—I thank all honourable members who have contributed to this debate on the Offshore
Petroleum Amendment (Greater Sunrise) Bill 2007 and the Customs Tariff Amendment
(Greater Sunrise) Bill 2007. Some of those contributions I agree with; some of those contribu-
tions I disagree with. I am not going to take the time of the House to go through them, but
from what I have heard there is strong support for the passage of these bills from both sides of
the House.

I also thank those members of the opposition who have supported the Offshore Petroleum
Amendment (Greater Sunrise) Bill 2007 and the Customs Tariff Amendment (Greater Sun-
rise) Bill 2007. The bills implement an agreement between Australia and Timor-Leste to de-
velop and commercialise the Sunrise and Troubadour petroleum fields in the Timor Sea as a
single unit. These fields, collectively known as the Greater Sunrise petroleum resource, strad-
dle the border between the Joint Petroleum Development Area, established by the Timor Sea Treaty, and an area of Australian jurisdiction.

The policy on this issue was fully debated and agreed to for incorporation into the Petroleum (Submerged Lands) Act 1967, the Customs Tariff Act 1995 and other related acts of 2004. These bills ensure that the same details are incorporated into the Offshore Petroleum Act 2006, the Customs Act 1995 and the consequential amendments to other acts. The legislative framework for the unit development of the Greater Sunrise field provides for investor certainty, which is a necessary precondition for the development of this resource.

Development of the Greater Sunrise field will provide substantial benefits for both Australia and Timor-Leste. From development will flow investment, exports, employment and revenue. It can also be expected to enhance the Timor Sea as a destination for exploration activity, to the benefit of both nations, particularly Timor-Leste. The development of the Greater Sunrise field will further build on the success of the cooperative arrangements that Australia has with Timor-Leste. The Bayu-Undan field within the Joint Petroleum Development Area is generating revenue for both Timor-Leste and Australia, with gas being piped to a liquefied natural gas plant near Darwin.

The credentials of Australia and Timor-Leste to act in cooperation were established with the ratification of the Timor Sea Treaty, which governs the development of the resources of the Joint Petroleum Development Area. Now that they have been ratified by both countries, the Greater Sunrise unitisation agreement and the more recent treaty on certain maritime arrangements in the Timor Sea—the CMA TS treaty—will further consolidate these credentials.

The Australian government is pleased to honour its agreement with Timor-Leste by making legislative provisions for the Greater Sunrise unitisation agreement’s implementation. The CMATS treaty does not require the introduction of legislation. The government looks forward to continuing its cooperative and mutually beneficial relationships with Timor-Leste. The bills continue Australia’s commitment to the unitisation of the Greater Sunrise resource. I look forward to the day when Australia and Timor-Leste can announce the commencement of petroleum production from Greater Sunrise. I thank the honourable members for their support of these bills and I commend the bills.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

CUSTOMS TARIFF AMENDMENT (GREATER SUNRISE) BILL 2007

Second Reading

Debate resumed from 14 February, on motion by Mr Baldwin:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.
CONDOLENCES
Hon. Sir Robert Carrington Cotton KCMG, AO
Hon. Sir Denis James Killen AC, KCMG

Debate resumed from 12 February, on motion by Mr Howard:

That the House record its deep regret at the deaths of the Honourable Sir Robert Carrington Cotton KCMG AO, former Federal Minister and Senator for New South Wales and Ambassador to the United States of America and the Honourable Sir James Denis Killen AC KCMG, former Federal Minister and Member for Moreton, Queensland; and place on record its appreciation of their long and meritorious service and tender its profound sympathy to their families in their bereavement.

Mr JULL (Fadden) (12.04 pm)—When speaking of the campaigning capacity of Sir James Killen, due recognition should also be given to the late Joy Killen. As a husband and wife team in the division of Moreton they were unstoppable. But I think we should also give due tribute to the tremendous work they did for and the contribution they made to the Liberal Party of Australia and in particular the Queensland division of the Liberal Party.

Sir James has been recognised as the foundation president of the Queensland Young Liberals, but the late Joy Killen also made a tremendous contribution inasmuch as she was the first president—and president for many years—of the women’s division. She took her politics very seriously; she worked unceasingly for the promotion of the Liberal Party, and together they were such a dynamic duo.

I have mentioned previously the nature of Killen while campaigning and his capacity to get down to all levels in his electorate, but I do not think anyone would have ever seen Sir James Killen happier than when he was at the racecourse. That was his great love. I do not go to the races terribly often, but on one occasion it was one of the funniest afternoons I have had. On most Saturday afternoons at Doomben or Eagle Farm, James would be found with his friends the late Brian Sweeney, the late Vince Curry and people like Jim Kennedy. They would have a marvellous time. He owned horses, and I think—I stand to be corrected—one of his most famous proteges was Wellington Road.

Mr Neville—It came fourth in the Melbourne Cup.

Mr JULL—It came fourth in the Melbourne Cup. From memory, those four gentlemen were the owners of Wellington Road, and there were great tales about that horse.

Later in his career, Sir James also served the racing industry as a member of the Queensland Racing Appeals Tribunal. Tribute should be given to Sir James because, after he retired from the parliament, not only did he go back into his legal practice but he also made a very real contribution in a number of organisations. For example, he headed the judge’s salary tribunal in Queensland, and he took that very seriously. I remember him telling me that he had very great difficulty getting judges to allow him to approach them in court, but when he was reviewing their salaries and conditions he had never been invited to lunch by so many judges in all his life. He also said that, if people were critical of parliamentarians and the way they approached some of their conditions of employment, parliamentarians were rank amateurs compared to the judiciary—but I am not quite sure whether I should say things like that in this place!

On coming to government in 1996, the Howard government appointed Sir James to the Council of the Order of Australia. That was another position that he took terribly seriously.
was the minister responsible at the time and I remember speaking to Sir James about the
council. He was worried about the way that the council met and the way they conducted their
business, and he suggested some very good reforms. People do not realise that there are about
14,000 to 15,000 nominations a year for awards under the Order of Australia and it is a major
achievement to work out who gets what. He made some very real suggestions and there has
been some great reform of the work of that council. Sir James should be acknowledged for
that.

He also told me a story of the first time that the council met. The nominations arrived for
his perusal, at his home in Chapel Hill, in three suitcases, and the suitcases had combination
locks on them. They arrived on a weekend and nobody had told him what the combination
was. He rang Government House but there was no answer. Then he remembered that, when he
was Special Minister of State, Government House used to send him quite a number of boxes
and they also had combination locks. So he went to one of his old diaries and found the old
combination lock number, tried it on the suitcase and it opened immediately. Nothing had
changed.

Mr Hardgrave—He loved tradition.

Mr JULL—He did. He made a tremendous contribution to that council and we should be
very thankful for the work that he did in reforming it.

Reference has also been made to his great love of the bush. We know the story of his diffi-
culty at Brisbane Grammar School: he allegedly ran away from school, went bush and be-
came a jackeroo. I suppose one of his most famous quotes in this place was about swimming
‘bare-arsed across the Condamine with Aborigines’. That is often quoted. He maintained a
love of the bush, and in non-sitting periods he quite often went around and worked the coun-
try circuits to ‘keep his ticket’, as I think he used to say.

Of course, some of the stories of his work in the bush were also quite legendary. He was
great friends with the late Bob Katter Sr, the father of the present member for Flinders. Old
Bob Katter, as we used to call him—

Mr Neville—Kennedy!

Mr JULL—Old Bob Katter was the member for Flinders; his son is the member for Ken-
nedy. Sir James used to delight in telling how he managed to get to Mount Isa most years on
the same weekend as the Mount Isa Cup was run. He and Bob Katter Sr used to go to the
races, and he tells the story of one night when they stayed on for some refreshments after the
race meeting. It became rather late, and at about 11 o’clock Bob Katter offered Jim a lift back
to the hotel he was staying at in Mount Isa. The fog had come in. They hopped in Bob’s car
and drove around and around and around and did not seem to be getting anywhere. Jim said to
Bob Katter, ‘Bob, do you know where we are?’ Bob said, ‘Frankly, Jim, I’m lost.’ And Jim
said: ‘Don’t worry. There’s a sign up ahead; we’ll have a look and see what that says.’ They
pulled up at the sign and Jim got out of the car and got back in the car and said, ‘Bob, it says
five furlongs.’

The other area that I should mention about the service of Sir James was his contribution to
the Anglican Church. The relationship between Sir James and the bush extended very much
into the bush brotherhood of the Anglican Church. Almost to the day of his death, if there was
anything that the bush clergy needed—and money was always tight—Sir James would be

MAIN COMMITTEE
there to help them. Whether it was organising race meetings in Toowoomba or special fund-raising dinners, Sir James would always help the bush brotherhood. He was a High Anglican; he was very much a traditionalist. I can remember having a couple of discussions with him regarding the Book of Common Prayer, which I personally think is probably the finest piece of English literature in existence. Sir James lamented the decline in the use of the Book of Common Prayer in the Anglican Church. I remember him referring to some clergy who had virtually thrown it out completely as being absolute vandals. I could not agree with him more.

He was a regular communicant at St John’s Cathedral; he was there most Sundays. He certainly loved the church and he loved the traditions of the Anglican Church. He had a tremendous relationship with the clergy—not only the clergy of the Anglican communion but those of other denominations as well. This was exemplified by the fact that Archbishop Bathersby, the Roman Catholic Archbishop of Brisbane was at St John’s Cathedral at the time of Sir James’s state funeral.

Their was a very special relationship that developed particularly after the death of Jim’s daughter Rosemary, and that really affected Jim to a very great extent. I know that people like Bishop Adrian Charles and the Dean of Brisbane, John Parkes, provided tremendous support and help to Sir James during some of those very difficult times. In that respect, I suppose it was appropriate that the dean took the services of the state funeral of Sir James. Archbishop Bathersby was there and Bishop Adrian Charles preached the sermon, and what a magnificent sermon it was.

Jim Killen, above everything else, was a man of very generous spirit. He was first and foremost a parliamentarian and I do not think that we will ever see his like in this place again. He very much lamented this new House; he did not like it. I think I am correct in saying that he only visited this place on one occasion following his retirement from the parliament. In some ways that was a bit of a pity. There is no doubt that there is a great difference between the conduct of business in the parliament today and what it was in the old chamber. Sir James loved that old chamber, and the repartee and some of the interjections that went back and forth across that chamber were really absolutely magnificent. The archivists are going to have a wonderful time when they finally get access to eight filing cabinets of Sir James’s personal documents. He has kept virtually every note that was passed across the chamber, every letter he wrote. They are filed in the most magnificent way that anybody could, and the amount of history that will be forthcoming when those archives are opened will be absolutely stunning.

I have great memories of Sir James in the chamber, and I mentioned the Governor-General’s address-in-reply speech of Sir James when I was first elected. He was one of the sharpest minds, and there were many on the other side as well. Sir James could be absolutely cutting, but he was never really cruel. He was never really nasty. To give you an example, at one stage we had a gentleman from Victoria who had not been in the parliament very long. He had black curly hair which sat on his head a bit like a triangle. He was interjecting on Sir James and Sir James just looked across and said, ‘Pipe down, Pythagoras.’ From that time, that particular member was known—on our side of parliament, anyway—as Pythagoras.

**Mr Hardgrave**—Poor old Andrew!

**Mr JULL**—There were quick one-liners, like: ‘The honourable member has many endearing qualities. It’s a pity intelligence isn’t one of them,’ or, ‘If brains were water, the honourable member would be declared a drought area.’ Interjections like that would fly across the
chamber. As I said, they were always effective but they were never nasty and they were never vindictive. He was a great parliamentarian.

Probably the best thing that happened to Sir James, particularly in his later life, was his meeting with Benise, the present Lady Killen. Special tribute should be made to Benise and all she did for Sir James, including the way she looked after him during his declining years. She is a wonderful woman, and I think a great tribute was paid to her at the state funeral when one of Sir James’s daughters indicated that she was probably the best thing that happened to Sir James.

In closing, may I extend my personal sympathy to Lady Benise, to Diana and Heather and particularly to Sir James’s granddaughter, Dana. I think Sir James always wanted a grandson. Dana presented a great-grandson within days of the passing of Sir James Killen. Sir James Killen was a great Australian and a great Queenslander, but above all he was one of the finest characters and one of the finest parliamentarians I have ever met.

Mr HARDGRAVE (Moreton) (12.18 pm)—I am enormously in debt to the honourable member for Fadden for his tremendous contribution to this condolence debate. Before I explore, on behalf of the people of the electorate of Moreton, some views and some tributes for Sir James Killen, I would like to place on record my condolence to the family of Sir Robert Cotton, a former senator, on his passing. I did not know the gentleman. It has not been my privilege to have ever met him, but I would certainly like to associate myself with the remarks made earlier by other members about him.

With regard to Sir James Killen, and to follow on from the remarks made by the member for Fadden, this is a delicious set of circumstances for me. The member for Fadden has just passed Sir James’s record as being the longest-serving Liberal in this place elected from Queensland. It is important to pay that tribute to the member for Fadden, whom I first met in 1974. Do not worry, Member for Fadden, this is not a eulogy for you! I simply make the point that I would not be here today if it were not for the positive influence of the member for Fadden on me in those very early days and the direction that he showed me. He showed me the way in which good individual conduct should be rewarded, that people should be trusted, that a society should be organised around the fact that most people do the right thing—that sense of trust, that commitment, that covenant that we have with the people of Australia.

My earliest connection with Sir James Killen, even though as a young bloke I lived in the electorate of Moreton, was in about 1980, when he wrote to me. I had been appointed as a delegate to a national youth conference that was convened by the Fraser government. I was not appointed by the Liberal Party; I was appointed by the community. Sir James wrote me a very nice letter, which is framed and has been on display in my office for many years simply because it struck me as a wonderful example of how this man, as a local member, despite how busy he was as a senior minister, lived up to the mantra he lived by and passed on to me, as one of his successors in the seat of Moreton. That mantra was to always put the parish first, to always remember that the parliament equals the people, that your conduct in the parliament must be on behalf of those you are elected to represent and that there is no importance associated with this job other than the importance afforded to you by those who support you at a critical time of election but that you must still work for everybody, regardless of whether they have in fact voted for you at an election.
Sir James Killen did not miss the point of emphasising the importance of the parish to me at any given opportunity I had to be with him, to meet with him or to speak with him. Looking back, those meetings and discussions were too infrequent for my particular liking. He assisted me in gaining selection from the Liberal Party to be the candidate for Moreton a dozen years ago. He assisted me during the election campaign in 1996. I remember knocking on a door in Ness Road, Salisbury, and saying to a very pleasant lady whose name I will not enter on the record, ‘Hardgrave, Liberal, running for Moreton.’ She said, ‘I remember Sir James Killen well; what a terrific man he was.’ The next thing that happened—and you would not believe it, Mr Deputy Speaker Adams—my mobile phone rang, door-knocking etiquette 101 was out the door and I had Jim Killen on the phone saying, ‘My boy.’

Mr Neville—My boy!

Mr Hardgrave—That was his way, Member for Hinkler—‘my boy’. That was the way he spoke to me—a wonderful form of endearment from his lips that I can hear in my mind right now. I said to the lady at the door: ‘Excuse me; I will just take this call. It is Sir James Killen.’ She said, ‘Tell him I think he is marvellous and that I said hello.’ Sir James, as quickly as anything, said, ‘And tell her I think she must be adorable and attractive as well as a completely sound person.’

The member for Fadden’s observation about the race track is correct, except that I think there was nothing that made Jim smile even more than the affection or adoration of a beautiful woman. He did have a great deal of love and respect for all people, I agree, but he did not mind having the company of attractive people around him—and good luck to him. It was very innocent, very decent and very gentlemanly but nevertheless very enjoyable from his point of view.

On the night of the 1996 election win we were at Don Cameron’s house in Greenslopes—Don being a former member of this place and one of the unique five people who have been representatives in three or more electorates. He was the member for Griffith from 1966, the member for Fadden from 1977 and the member for Moreton from 1983 until 1990. We were at Cameron’s house and Sir James was there. He shook my hand and said: ‘My boy, well done. Congratulations. It is all ahead of you now. I pray that one day the Prime Minister will have the good sense to appoint you to a higher office, but don’t forget that, no matter what may happen, it is always the parish.’ He never, ever let me forget the parish. The point of all authority for all of us in this place comes from our respective parishes.

The member for Fadden was also right in observing that he did not like this place; the physical structure of this place offended him. I understand why. He came here for the Liberal Party’s anniversary function in 2006. It was a fine night and I remember him using my office as his base. I offered my office and ensured that he was transported appropriately—that he and Lady Benise and Dame Margaret and Stan Guilfoyle got back to their hotel. It seems extraordinary to me that these great people of enormous stature and great community service are not well looked after by the system these days. They more or less have to fend for themselves and are forced into cabs and so forth. None of this really fussed Jim too much, but I made sure we had a more appropriate form of transport to get him back.

I know what his trouble with this place was about. There is still a lot of genuine wit and ability amongst colleagues in this place. I think there is still an ability for people to make great comments, to interact and to make interjections that are worthy of being placed on the
record, even though we all know they are unparliamentary, but this place does not afford that opportunity. I think Sir James would have liked the Main Committee more, because you can actually see the whites of the eyes of the people opposite. You can have a discussion and a debate in a much clearer environment than the very anaesthetic environment of the House of Representatives chamber, which has been styled more for television presentation than good parliamentary debate.

Sir James Killen maintained his sense of connection with Moreton all the way through, even though he lived in another part of town. Lady Joy has been mentioned. She stood and handed out how-to-vote cards for me in 1996 and 1998 at the Wellers Hill primary school, which was the home base of the Killen support group, if you like. They lived just around the corner from there for many years. He maintained his connection with the Tarragindi-Wellers Hill RSL, even though they as an organisation no longer exist and are now augmented under the Yeronga-Dutton Park RSL. He was always the special guest on Anzac Day. On some occasions he was not there. The member for Fadden will know some of the faces there. Muriel Watson, that wonderful doyenne of Brisbane theatre and television from many years ago, is a constituent of mine. Muriel and her late husband would be there every Anzac Day. There would be Jim and Dawn Slaughter—Dawn Slaughter being Sir James’s sister. A bit of a reunion would happen every Anzac Day at the memorial. It was always a very happy time to hear some fine words from Sir James Killen.

I think Sir James Killen showed that, from his point of view, community service was never something he was going to shy away from. Many people may not remember—the member for Blair is in the chamber and he will remember this—that at one stage Sir James Killen offered himself for election as the member for Blair to take on the then member for Oxley when she tried to continue her parliamentary career. He thought she was repugnant to Australia’s standards and repugnant to the way in which Australia operated. He was ready to take a stand against her. It showed the great strength of Sir James Killen for having that view.

At the end of it all it has come down to this enormous high honour for me, as the incumbent member for Moreton, to note his passing, to lament his passing and to thank him for his community service. When I was a young bloke growing up, the great figures in my local area around Sunnybank—apart from David Jull—were people like Geoff Chinchen, the then state member for Mount Gravatt. He has sadly left us. He was indeed a war hero and a fellow who, with his wife, Heather, helped start the Sunnybank Red Cross, maintaining his connection with that organisation. There was also the very sad passing just prior to Christmas of Bill Kaus, the former member for Mansfield. His daughter, Andrea West, was the member for Bowman between 1996 and 1998. And then there was the passing of Sir James Killen. For me, three powerhouses of local community focused representation were taken in just the last year or so.

I say to Diana and Heather: we thank you for the work that you allowed your parents to do. To Dana and to the rest of the family: we know that you will live up to the legacy of this wonderful man, Jim Killen. To Lady Benise: I join with the member for Fadden in publicly acknowledging the great strength and dignity that you brought to Jim’s latter years. The opportunity for us to deal with Jim in a more direct and open way because of your efforts is something for which we are forever indebted. Jim came and witnessed the opening of my electorate.
office in November last year. He patted me on the back and said, ‘You’ve done well’—high praise for me. Lest we forget—what a great man.

Mr ANTHONY SMITH (Casey—Parliamentary Secretary to the Prime Minister) (12.30 pm)—It is my honour to associate myself with this motion and to speak about Sir James Kil- len. It is a particular honour to follow the member for Moreton, whose seat Sir James repre- sented with such distinction over his 28-year career, and also to be here with the member for Fadden, who I know had a very long and close relationship with Sir Jim.

I do not stand here today as someone who knew Jim Killen at a personal level. I met him once or twice and, like everyone who met him, found him a thoroughly engaging person. When I was in my final year of school, I had given to me his autobiography. It was one of the first books I read about parliament and politics. I had not heard of Jim Killen until I was given that book by a family friend, someone who had not been involved in party politics but who had followed political debate and public affairs and thought that Jim Killen was the model of a community representative and a parliamentarian. Knowing my interest in public affairs and politics at that time, they gave that book to me as a gift. When I got the book I thought: ‘This will be interesting; I have never heard of this person.’ But it was captivating reading and I read it cover to cover. You could not help but feel that this was a person who was a quintes- sential Queenslander and a quintessential Australian. For those of us here, all of us represent- ing all views within this parliament, he was a great local member of parliament, he was a great minister for defence, but most of all he was a great parliamentarian.

The life of Jim Killen spanned one of the most difficult and interesting times in Australian history. He was born in 1925 in Dalby and worked as a jackaroo from the age of 13 or 14. In the Second World War he joined that wonderful generation of veterans from the First World War who came back wanting to make sure that their country, Australia, could be the best it could be. He was one of those who decided that they wanted to have a stake in the decision-making right here in Canberra. People like Jim Killen probably would not have considered parliament had it not been for the adversity they endured. He was born in Dalby in 1925, when Australia was 25 years young. He then grew up through the Depression and experienced all the difficulties of life outside the major cities to become a self-made man and to make a difference—with people from the Labor Party as well.

We know that he was a man of great intelligence, a man of great wit, a man with whom you would never want to get caught in a verbal exchange. I say this as a member of the Liberal Party: he was fundamental in the creation of the Queensland division of the Liberal Party. He very much laid the groundwork and helped create the division from nothing in the days after the Second World War. The member for Fadden—my friend, who knew Jim Killen—knows that he was critical to the establishment and success of the party and to its representation here in Canberra. Given the diverse nature of our country—and I say this as a suburban Victo- rian—this ensured that the Liberal Party represented the breadth of Australia in all its guises.

I say as an observer that Jim Killen conducted himself with complete distinction all the way through his career and, just as importantly, also in his retirement. He stayed true to the cause he believed in. He recognised that in politics there would be ups and downs and disappointments but at no point was there ever any evidence of bitterness in him. He remained a servant of the people of Queensland and of the Queensland division of the Liberal Party for

MAIN COMMITTEE
every day of his parliamentary life and his retired life. I just wanted to place on the record my tribute to him.

Debate (on motion by Mr Cameron Thompson) adjourned.

Main Committee adjourned at 12.37 pm
QUESTIONS IN WRITING

Nyangatjatjara Aboriginal Corporation
(Question No. 4176)

Mr Snowdon asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 11 September 2006:

(1) In respect of the appointment on 28 April 2006 of an Administrator to the Nyangatjatjara Aboriginal Corporation (NAC) by the Registrar of Aboriginal Corporations; will he: (a) outline the process by which the Administrator was appointed; (b) explain whether the Registrar of Aboriginal Corporations undertook an investigation into NAC on the grounds contemplated in s 68(1) of the Aboriginal Councils and Associations Act 1976; (c) outline the findings of any investigation undertaken; (d) explain the grounds on which the Administrator was appointed; (e) explain the particular concerns the Administrator has been appointed to address; (f) confirm whether the Registrar of Aboriginal Corporations has received a report on NAC from the Administrator; (g) outline the progress the Administrator has made to date in addressing the concerns he has been appointed to resolve; (h) provide a timeline for the satisfactory resolution of these concerns by the Administrator; (i) provide a timeline for the return of day-to-day conduct of the affairs of the NAC to the corporation’s members; (j) outline the charges and expenses incurred by the Administrator to date; (k) confirm whether charges or expenses incurred by the Administrator have been charged on the property of NAC; (l) outline the remuneration the Administrator has received, or will receive; (m) outline the role of the Administrator in the management and administration of the Nyangatjatjara College; and (n) outline the role of the Administrator in setting the policy of the Nyangatjatjara College.

(2) Is he aware of a community meeting held in Imanpa on 30 August 2006 at which parents of Nyangatjatjara College students expressed concern at the management and administration of Nyangatjatjara College, particularly in respect of recent staff losses and falling attendance rates.

Mr Brough—The answer to the honourable member’s question is as follows:

In December 2005, an examination of the affairs of the Nyangatjatjara Aboriginal Corporation (NAC) was conducted pursuant to section 60 of the Aboriginal Councils and Associations Act 1976 (the ACA Act). After a review of the findings of the examination, the delegate of the Registrar concluded there may be grounds for the appointment of an Administrator. On 16 January 2006, the Registrar served a notice in writing calling on the corporation to show cause by the close of business on Tuesday, 31 January 2006 why an Administrator should not be appointed to NAC. This time was extended to 3 March 2006 by the Registrar at the request of the corporation and the corporation replied on 2, 3, 10, 21 and 24 February 2006. Having considered the corporation’s replies to the notice, the Registrar decided to recommend the appointment of an Administrator under section 71(2) of the Act as she was satisfied that there were grounds to appoint the Administrator. The Registrar sought the approval of the Minister to appoint an Administrator to NAC and the Minister approved the appointment on 18 April 2006. On 26 April 2006, the Registrar executed an instrument to appoint Mr Eamonn Thackaberry of Chalgrove Projects Pty Ltd as the Administrator to NAC effective from 28 April 2006. In addition, the Registrar published a notice in the Gazette and in a newspaper of the appointment of Mr Eamonn Thackaberry as Administrator from 28 April 2006.

The Registrar did not undertake an investigation into NAC under section 68(1) of the ACA Act. No investigation was undertaken, so no findings can be reported.

The Registrar appointed the Administrator to NAC on four grounds in accordance with section 71(2) of the ACA Act. Firstly, the corporation traded at a loss for at least six months during the preceding 12 months: section 71(2)(a) of the ACA Act. Secondly, the corporation failed to comply with a provision of
the ACA Act and/or regulations and/or provisions of the corporation’s rules: section 71(2)(b) of the ACA Act. Thirdly, the appointment of the Administrator was deemed to be in the interest of the corporation, its members and creditors: section 71(1)(2)(d) of the ACA Act. Fourthly, the appointment of an Administrator was deemed to be in the public interest: section 71(2)(f) of the ACA Act.

The Administrator is responsible for the conduct of the affairs of the corporation and, in addition, has the functions of the public officer pursuant to section 75 of ACA Act. The Administrator has been appointed to address the concerns underlying the grounds for his appointment. These include: a range of governance issues, such as, the lack of a Register of Members, failure to hold Annual General Meetings, and improper election procedures; significant trading loss over a 15 month period; weak internal controls and lack of documented policies and procedures; and poor reporting and filing of returns.

The Administrator of NAC is required to report to the Registrar from time to time as the Registrar requires under section 77C of the ACA Act. The Administrator has been reporting to the Registrar regularly since the commencement of his appointment.

The Administrator is working with NAC to ensure a viable corporation and secondary college in the Northern Territory.

The Registrar is unable to provide a timeline because the Administrator is currently in the process of ascertaining all relevant information, considering that information and developing an overall strategy for the administration.

Currently, the Registrar is unable to provide a timeline for the return of the day-to-day conduct of the affairs of NAC to the corporation’s members as the administration is in its early stages of gathering information and implementing a plan for the administration.

The Administrator has incurred expenses in relation to travel, travel allowance and legal costs. The Registrar has paid the Administrator for these expenses in the amount of $27,640.00 (exclusive of GST) as at 11 December 2006.

To date, the Registrar has not charged the Administrator’s remuneration, charges and expenses on the property of NAC.

The Registrar has paid $153,720.00 (exclusive of GST) to the Administrator for remuneration as at 11 December 2006.

The Administrator is responsible for the conduct of the affairs of NAC. He also has the functions and duties of the public officer under section 75 of the ACA Act. As part of his role of conducting the affairs of NAC, the Administrator manages the operation of Nyangatjatjara College.

On 1 December 2006, an action was commenced in the Federal Court of Australia by members of NAC in relation to the management and administration of Nyangatjatjara College. As the matter is sub judice, no details can be provided at this time.

Prince of Orange and Princess Maxima of the Netherlands: Travel Costs

(Question No. 4837)

Mr Melham asked the Prime Minister, in writing, on 30 October 2006:

What sum was spent by the Commonwealth Government on: (a) travel; (b) accommodation; (c) security; and (d) all other expenses for the visit to Australia in October 2006 by Their Royal Highnesses the Prince of Orange and Princess Maxima of The Netherlands.

Mr Howard—The answer to the honourable member’s question is as follows:

I am advised that as at 20 November 2006, the Department of the Prime Minister and Cabinet has paid the following costs:

(a) $21,040.97 for travel
(b) $18,678.47 for accommodation
(c) Security costs are met by the Attorney-General’s Department
(d) $49,858.48 all other expenses

**Australian Broadcasting Corporation**

*(Question No. 4854)*

**Ms Bird** asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 1 November 2006:

1. Since January 2005, what is the number of complaints received by (a) the Minister, (b) the Managing Director of the Australian Broadcasting Corporation (ABC) and (c) the Board of the ABC from Senator Concetta Fierravanti-Wells regarding ABC television and radio content, including interviews.
2. What number of complaints received by (a) the Minister, (b) the Managing Director of the ABC and (c) the Board of the ABC from Senator Fierravanti-Wells were conveyed (i) in writing, (ii) by telephone, and (iii) by facsimile.
3. Is the Minister aware of any complaints made by Senator Fierravanti-Wells to commercial media operators, including commercial radio stations, since January 2005.
4. Has the Minister received any complaints from Senator Fierravanti-Wells in respect of interviews aired by the commercial media, including commercial radio; if so, what number of complaints has been received.

**Mr McGauran**—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

1. (a) nil; (b) seven; (c) one.
2. (a) n/a; (b)(i) five (ii) zero (iii) two; (c) (i) one (ii) zero (iii) zero
3. The Broadcasting Services Act 1992 requires commercial broadcasting licensees to maintain a database of the number and types of complaints received, including the outcomes of the resolution process. These statistics are then provided to the Australian Communications and Media Authority (ACMA) on a quarterly basis, however the names of the complainants are not disclosed. The Minister has therefore not been made aware of any complaints made by Senator Fierravanti-Wells to commercial media operators since January 2005.
4. There is no record of any formal complaints from Senator Fierravanti-Wells to the Minister in respect of interviews aired by the commercial media.

**Welfare to Work**

*(Question No. 4869)*

**Ms Annette Ellis** asked the Minister for Human Services, in writing, on 27 November 2006:

1. How many people in the federal electorate of Canberra have had their welfare benefits cut off for eight weeks under the new Welfare to Work laws, and what is the breakdown of that figure by type of benefit.
2. What were the reasons for the benefit cut referred to in Part (1) and how many people faced the penalty for each reason identified.

**Mr Hockey**—The answer to the honourable member’s question is as follows:

1. From 1 July 2006 to 1 December 2006 there were 22 customers in the federal electorate of Canberra who had an eight-week non-payment period applied. Customers affected were either in re-
receipt of Newstart Allowance or Youth Allowance. Due to privacy considerations a detailed breakdown of numbers cannot be provided, as the number is less than 20 in each of these groups.

(2) The reasons were as follows:

<table>
<thead>
<tr>
<th>Reason for non-payment period</th>
<th>Number of Customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failure to attend reconnection appointment</td>
<td>&lt;20</td>
</tr>
<tr>
<td>Failed to attend interview with Employment Service Provider</td>
<td>&lt;20</td>
</tr>
<tr>
<td>Dismissed from employment due to misconduct</td>
<td>&lt;20</td>
</tr>
<tr>
<td>Failure to accept a suitable offer of employment</td>
<td>&lt;20</td>
</tr>
<tr>
<td>Voluntarily unemployed</td>
<td>&lt;20</td>
</tr>
</tbody>
</table>

1 Confidentiality Provision: All cells that have a value of less than 20, other than zero, have been changed to display “<20”. This rule has been employed for privacy reasons.

2 Participation Failure, when applied on its own, does not warrant an eight-week non-payment period.

A customer may incur an eight-week non-payment period if they fail to meet their participation requirement (without a reasonable excuse) three times in a twelve-month period.

Data provided is point in time data and may change at any time as a result of any reviews or pending appeals.

Data Source: Data produced by Centrelink Data Services. Centrelink extracted the data by SAS for the period 1 July to the week ending 1 December 2006.

To prepare this answer it has taken approximately 21 hours and 31 minutes at an estimated cost of $1,094.

Defence: Charter Vessels
(Question No. 4877)

Mr Bevis asked the Minister for Defence, in writing, on 27 November 2006:

In respect of the Ministers’ joint announcement on 9 May 2006 that $14 million has been allocated in the current budget to fund the use of civilian charter vessels to tow apprehended illegal foreign fishing vessels to shore: (a) for each month of this financial year, (i) what costs have been incurred under this scheme, (ii) what payments have been made to owners of civilian charter vessels for towing apprehended illegal foreign fishing vessels to shore, and (iii) on how many occasions has a civilian charter vessel been engaged to perform this service; (b) what is the name of each civilian charter vessel engaged to tow apprehended illegal foreign fishing vessels to shore; (c) for each civilian charter vessel used, (i) what is its home port, (ii) where did it travel under the charter arrangements and (iii) by whom is it owned; and (d) for what period of time is the $14 million allocated.

Dr Nelson—The answer to the honourable member’s question is as follows:

The funding for civilian charter vessels to tow apprehended illegal foreign fishing vessels was provided to the Australian Customs Service to administer. Please refer to the response by the Minister for Justice and Customs to House of Representatives Question No. 4879.

Agriculture, Fisheries and Forestry: Charter Vessels
(Question No. 4878)

Mr Bevis asked the Minister for Agriculture, Fisheries and Forestry, in writing, on 27 November 2006:

In respect of the Ministers’ joint announcement on 9 May 2006 that $14 million has been allocated in the current budget to fund the use of civilian charter vessels to tow apprehended illegal foreign fishing vessels to shore: (a) for each month of this financial year, (i) what costs have been incurred under this
scheme, (ii) what payments have been made to owners of civilian charter vessels for towing apprehended illegal foreign vessels to shore, and (iii) on how many occasions has a civilian charter vessel been engaged to perform this service; (b) what is the name of each civilian charter vessel engaged to tow apprehended illegal foreign fishing vessels to shore; (c) for each civilian charter vessel used, (i) what is its home port, (ii) where did it travel under the charter arrangements and (iii) by whom is it owned; and (d) for what period of time is the $14 million allocated.

Mr McGauran—The answer to the honourable member’s question is as follows:
The funding for the use of civilian charter vessels to tow apprehended illegal foreign fishing vessels was provided to the Australian Customs Service to administer. I therefore refer the Member for Brisbane to the response by the Minister representing the Minister for Justice and Customs to House of Representatives Question No. 4879.

Live Animal Exports
(Question No. 4881)

Mr McClelland asked the Minister for Agriculture, Fisheries and Forestry, in writing, on 27 November 2006:

(1) Further to his response to question No. 3605 (Hansard, 6 September 2006, page 139), how many of the jobs referred to are created directly in, or rely directly upon, the live export industry.

(2) In respect of his response to Part (9) of question No. 3605, can he provide figures showing how many jobs in the Australian economy are created indirectly by the meat processing sector.

Mr McGauran—The answer to the honourable member’s question is as follows:

(1) The department does not collect data on direct and indirect employment reliant on the live export industry.

(2) The department does not collect data on employment created indirectly by the meat processing sector.

Live Animal Exports
(Question No. 4882)

Mr McClelland asked the Minister for Agriculture, Fisheries and Forestry, in writing, on 27 November 2006:

(1) Has any assessment been made of the number of Australian jobs that have been lost as a result of the live export trade; if so, what is that figure.

(2) Has any assessment been made as to how many abattoirs have closed as a result of the live export trade; if so, what is that figure.

(3) Has any regional funding been provided to off-set job and business losses that have occurred as a result of abattoir closures during the past five years; if so, for each of those years, how has compensation been disbursed.

(4) With which countries does Australia have co-operative arrangements that allow Australian inspectors to inspect slaughter facilities in that country.

(5) To what extent are Australian standards relating to the live export trade consistent with the World Organisation for Animal Health guidelines and the International Air Transport Association regulations.

Mr McGauran—The answer to the honourable member’s question is as follows:

(1) No.

(2) No.
(3) The Department of Agriculture, Fisheries and Forestry has not allocated any regional funding to off-set any job or business losses that have occurred as a result of abattoir closures in the last five years.

(4) The Australian Government would require the consent of the sovereign government of the importing country to inspect slaughter facilities. The Memoranda of Understanding (MOU) on Handling and Slaughter of Live Australian Animals with Egypt provides for regular inspections of Egyptian animal handling facilities and approved slaughter houses.

(5) The Australian Standards for the Export of Livestock (the Standards) take into account World Organisation for Animal Health (OIE) animal welfare guidelines and in most instances exceed them. Relevant sections of the International Air Transport Association (IATA) regulations were drawn upon in the development of Standard 6 - Air Transport of Livestock in the Standards and therefore comply with the IATA regulations.

Thailand

(Question No. 4886)

Mr McClelland asked the Minister for Defence, in writing, on 27 November 2006:

(1) Why did Australia’s defence assistance to Thailand decrease from $3.779 million in 2004-05 to $2.903 million in 2005-06.

(2) Has the Government altered its policy towards defence cooperation with Thailand since the military coup of 19 September 2006.

(3) Do the following defence cooperation programs with Thailand remain in operation: (a) Special Forces training; (b) Air Force training; (c) capability development and defence acquisition assistance; (d) training of Thai defence personnel in Australia; and (e) English language training in Thailand.

(4) Are there any other defence cooperation initiatives currently being undertaken with Thailand; if so, what are the details.

(5) Following the 19 September coup, does the Government intend to suspend any aspects of defence cooperation with Thailand, as the United States has done.

Dr Nelson—The answer to the honourable member’s question is as follows:

(1) The decrease in Australia’s defence cooperation budget with Thailand from 2004-05 to 2005-06 is explained by an unusually high take-up rate of Australian training courses by candidates from the Royal Thai Armed Forces in 2004-05. One of the training courses utilised in 2004-05 was flying instructor training, which is high cost (approximately $500,000).

(2) and (5) The Government is maintaining defence cooperation with Thailand where such cooperation is in Australia’s security interests. The Government will continue to monitor developments in Thailand and will review the defence cooperation program if appropriate.

(3) (a), (b), (c), (d) and (e) Yes.

(4) No.

Taxation: Migrants

(Question No. 4892)

Mr Fitzgibbon asked the Minister for Revenue and Assistant Treasurer, in writing, on 27 November 2006:

Has the Department of Immigration and Multicultural Affairs (DIMA) made a submission to Treasury to access Australian Tax Office (ATO) income tax data to assist with compliance checks in relation to
457 visa holders; if so, (a) what data is being sought and (b) what measures are in place to ensure that DIMA will apply the same privacy protections as the ATO.

Mr Dutton—The answer to the honourable member’s question is as follows:

Treasury and ATO representatives attended an inter-agency forum, convened by DIMA on 23 August 2006, concerning the administration of the 457 visa program. DIMA canvassed views from agencies (including Treasury and the ATO) concerning implementation of information sharing arrangements. The ATO advised DIMA (and confirmed in writing on 23 October 2006) that the taxation laws administered by the Commissioner contain secrecy provisions that, in the view of the ATO, prevent the provision of any taxpayer specific information to DIMA.

Centrelink: Payments
(Question No. 4904)

Mr Georganas asked the Minister for Human Services, in writing, on 27 November 2006:

For each year since 1998, (a) how many raids have been made by government agencies, or the Australian Federal Police in relation to Centrelink benefits, (b) what extra resources have been given to the Australian Federal Police to conduct or assist with Centrelink-related raids, (c) what assurance can the Government provide that Centrelink staff are adequately trained to carry out raids, and (d) how many people who satisfy the criteria for the Age Pension have been raided by Centrelink.

Mr Hockey—The answer to the honourable member’s question is as follows:

(a) Search warrants are executed by the Australian Federal Police on behalf of Centrelink. Data on the numbers of search warrants executed should be sought from the Australian Federal Police.
(b) Questions on the funding arrangements of the Australian Federal Police should be directed to that agency.
(c) Centrelink staff do not conduct raids in relation to Centrelink benefits.
(d) Not applicable.

To prepare this answer it has taken approximately 3 hours and 55 minutes at an estimated cost of $218.

Australian Broadcasting Corporation
(Question No. 4906)

Mr Georganas asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 27 November 2006:

Why was the ABC program The Glass House cancelled, and what discussion(s) or communication(s) took place between the Minister, or ministerial advisors, and the ABC in respect of the program’s cancellation.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

The ABC advises that ABC Television decided some time ago not to commission The Glass House in 2007 because it believed it was time to develop new programs and explore other opportunities within the satire/comedy genre. The program’s producers were advised of the decision in early September 2006.

The decision was made by ABC management. No discussions or communications took place between the Minister, or any Ministerial advisers, and the ABC with respect to this decision.
Doctors
(Question No. 4916)

Mrs Elliot asked the Minister for Health and Ageing, in writing, on 27 November 2006:
What incentives are there to encourage doctors to work past the age of 65 years.

Mr Abbott—The answer to the honourable member’s question is as follows:
The Commonwealth Government has a range of programs to increase retention and these are available to all doctors regardless of age.

Defence: Rifle Ranges
(Question No. 4925)

Mr McClelland asked the Minister for Defence, in writing, on 29 November 2006:
(1) Does the Government plan, or is it considering plans, to end reliance by civilian shooting clubs on Defence facilities; if so (a) what are the reasons for the policy; (b) what consultation has been, or will be, conducted with civilian rifle clubs; (c) what timeframe has been decided, or is being considered, for ending reliance on Defence facilities, and (d) what investigations have been, or will be, conducted into the impact on sites of heritage value.
(2) Does the Government plan, or is it considering, the sale of any Commonwealth-owned shooting facilities.
(3) Will discontinuing civilian use of Defence shooting ranges result in increased maintenance costs for the Department of Defence.

Dr Nelson—The answer to the honourable member’s question is as follows:
(1) No.
(2) Yes, where those facilities are surplus to Defence requirements.
(3) No. Civilian use of Defence shooting ranges is not being discontinued.

Australian Defence Force: Deployment
(Question No. 4940)

Mr Melham asked the Minister for Defence, in writing, on 30 November 2006:
For each financial year since 1 July 2001 and including 2006-2007 to date, what is the cost incurred by the Department of Defence arising from Australian Defence Force deployments in (a) Afghanistan, (b) Iraq and (c) other countries and areas in the Middle East.

Dr Nelson—The answer to the honourable member’s question is as follows:
The total net additional costs incurred to date by Defence for each financial year since 1 July 2001, including actual expenditure to date in 2006-07 for operation in Afghanistan, Iraq and other areas in the Middle East are:

<table>
<thead>
<tr>
<th>Operation</th>
<th>2001-02 Actual Expenditure $m</th>
<th>2002-03 Actual Expenditure $m</th>
<th>2003-04 Actual Expenditure $m</th>
<th>2004-05 Actual Expenditure $m</th>
<th>2005-06 Actual Expenditure $m</th>
<th>2006-07 Actual Expenditure to 30 Nov 2006 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations in Afghanistan</td>
<td>320.0</td>
<td>176.0</td>
<td>-5.0</td>
<td>0.0</td>
<td>91.0</td>
<td>59.7</td>
</tr>
<tr>
<td>Operations in Iraq</td>
<td>0.0</td>
<td>285.3</td>
<td>240.6</td>
<td>284.9</td>
<td>351.4</td>
<td>127.8</td>
</tr>
</tbody>
</table>
Note: These figures include small amounts of expenditure incurred in other areas of the Middle East associated with operations in Afghanistan and Iraq, the separate detail for which is not recorded at that level (expenditure is recorded by operation rather than by country).

Mr Jean-Philippe Wispelaere
(Question No. 4941)

Mr Melham asked the Minister for Foreign Affairs, in writing, on 30 November 2006:
Since 8 March 2001, on what dates have Australian consular officials (a) visited or (b) otherwise had contact with Mr Jean-Philippe Wispelaere.

Mr Downer—The answer to the honourable member’s question is as follows:
Since 8 March 2001 consular officials have had the following contact with Mr Wispelaere:

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/06/01</td>
<td>Telephone discussion</td>
</tr>
<tr>
<td>08/06/01</td>
<td>Attendance at sentencing hearing</td>
</tr>
<tr>
<td>12/10/01</td>
<td>Consular Prison Visit</td>
</tr>
<tr>
<td>December 01</td>
<td>Letter to Mr Wispelaere</td>
</tr>
<tr>
<td>14/03/02</td>
<td>Consular Prison Visit</td>
</tr>
<tr>
<td>14/02/03</td>
<td>Consular Prison Visit</td>
</tr>
<tr>
<td>27/08/03</td>
<td>Consular Prison Visit</td>
</tr>
<tr>
<td>01/07/04</td>
<td>Consular Prison Visit</td>
</tr>
<tr>
<td>17/02/05</td>
<td>Consular Prison Visit</td>
</tr>
<tr>
<td>07/10/05</td>
<td>Consular Prison Visit</td>
</tr>
<tr>
<td>16/03/06</td>
<td>Consular Prison Visit</td>
</tr>
<tr>
<td>05/10/06</td>
<td>Consular Prison Visit</td>
</tr>
</tbody>
</table>

In addition, Mr Wispelaere has sent several cards and letters to our Consulate-General expressing appreciation for their continued interest in his welfare.

Joint Strike Fighter
(Question No. 4945)

Mr McClelland asked the Minister for Defence, in writing, on 4 December 2006:

(1) Has the Government considered that the delay of the Joint Strike Fighter project may result in the delay of the delivery of aircraft to Australia.

(2) Has the Government made contingency plans in the event of the potential delay referred to in Part (1); if so, do those contingency plans include acquiring another aircraft to operate during the period after the withdrawal from service of the F1-11 and if so, what aircraft does the Government intend to acquire.

(3) In the event of the potential delay referred to in Part (1), has the Government considered the acquisition of (a) the F22 Raptor or (b) the F/A-18E/F Super-Hornet; if so, has the Government analysed the comparable benefits of the two aircraft and what has that analysis established.

Dr Nelson—The answer to the honourable member’s question is as follows:

(1) Despite recent media reporting to the contrary, the Joint Strike Fighter (JSF) project remains on track to deliver aircraft when we need them. However, as a sound risk mitigation strategy, Defence continues to develop cost effective options in the event that the JSF is not available when required.

(2) and (3) Yes. The Government has directed Defence to develop a range of options in the event of a potential delay of the JSF Project.
Asia-Pacific: Forest Management
(Question No. 4958)

Mr Martin Ferguson asked the Minister for Foreign Affairs, in writing, on 6 December 2006:

For each of the past ten financial years, what has Australia done in the Asia-Pacific region to promote sustainable forest management and to combat illegal logging.

Mr Downer—The answer to the honourable member’s question is as follows:

It would be an unreasonable diversion of resources for my department to cover in its response all Australian Government activities undertaken to promote sustainable forest management and to combat illegal logging in the Asia-Pacific region for each of the past ten financial years. The following information therefore relates to activities undertaken by my Department and portfolio agencies.

DFAT

Australia works with many countries, including those of the Asia-Pacific region, on a range of forestry issues in a number of multilateral fora. These include the United Nations Forum on Forests, the International Tropical Timber Organisation, the Asia Forest Partnership, the Asia-Pacific Forestry Commission of the Food and Agriculture Organisation, and the Asia Forest Law Enforcement and Governance Taskforce. Given the multilateral nature of these fora and their global impact, it would be an unreasonable diversion of resources to isolate and quantify the costs of instances of cooperation with countries in the Asia-Pacific region to promote sustainable forest management and to combat illegal logging over the past ten financial years.

Australia also raises forestry and logging issues on an ongoing basis during a broad range of relevant bilateral official and ministerial meetings, including at the request of the Department of Agriculture, Fisheries and Forestry, and the Department of the Environment and Heritage. It would be an unreasonable diversion of resources to list, and determine the costs of, each occasion on which DFAT discussed forestry and logging issues with each country in the Asia-Pacific region for each of the past ten financial years.

Within my portfolio, a number of initiatives to promote sustainable forest management and to combat illegal logging are also managed through the Australian Agency for International Development (AusAID) and the Australian Centre for International Agricultural Research, (ACIAR).

ACIAR

The following projects cover the promotion and improvement of plantation and agroforestry activities, the protection of plantations and mature forests from pests, diseases and fire and the sustainable management of native forests. Some projects are conducted in cooperation with DAFF, or extend beyond the Asia-Pacific region.

Project: Laos teak/non-timber forest products agroforestry scoping study
Region/Country(ies): Southeast Asia
Funding: FY2005-06 - $60,000
NB: Funding for this project continues beyond FY2005-06

Project: Seed distribution of Australian Trees ) Limited Extension
Region/Country(ies): Southeast Asia
Funding: FY2005-06 - $25,000
NB: Funding for this project continues beyond FY2005-06
**Project:** PNG agroforestry systems - scoping study  
**Region/Country(ies):** South Pacific and Papua New Guinea  
**Funding:** FY2004-05 - $100,000, FY2005-06 - $35,000  
NB: Funding for this project continues beyond FY2005-06

**Project:** Feasibility of establishing an essential oils industry based on plantations in eastern Indonesia  
**Region/Country(ies):** Southeast Asia  
**Funding:** FY2004-05 - $9,390, FY2005-06 - $3,130

**Project:** Realising genetic gains in Indonesian and Australian plantations through water and nutrient management  
**Region/Country(ies):** Southeast Asia  
**Funding:** FY2005-06 - $138,944  
NB: Funding for this project continues beyond FY2005-06

**Project:** Domestication and commercialisation of *Canarium indicum* in Papua New Guinea  
**Region/Country(ies):** South Pacific and Papua New Guinea  
**Funding:** FY2005-06 - $170,906

**Project:** Facilitating the availability and use of improved germplasm for forestry and agroforestry in Papua New Guinea  
**Region/Country(ies):** South Pacific and Papua New Guinea  
**Funding:** FY2004-05 - $152,919, FY2005-06 - $239,176  
NB: Funding for this project continues beyond FY2005-06

**Project:** Community partnerships for plantation forestry: enhancing rural incomes from forestry in eastern Indonesia and Australia  
**Region/Country(ies):** Southeast Asia  
**Funding:** FY2004-05 - $67,035, FY2005-06 - $145,889  
NB: Funding for this project continues beyond FY2005-06

**Project:** Development and evaluation of sterile triploids and polyploid breeding methodologies for commercial species of *Acacia* in Vietnam, South Africa and Australia  
**Region/Country(ies):** Southeast Asia  

**Project:** Domestication of Meliaceae species in Southeast Asia and Australia, particularly management of the problem of *Hypsipyla robusta* attack  
**Region/Country(ies):** Southeast Asia
Wednesday, 28 February 2007  HOUSE OF REPRESENTATIVES  195

Funding: FY2005-06 - $155,231
NB: Funding for this project continues beyond FY2005-06

Project: Identification of optimum genetic resources for establishment of local species of sandalwood for plantations and agroforests in Vanuatu and Cape York Peninsula
Region/Country(ies): South Pacific and Papua New Guinea
NB: Funding for this project continues beyond FY2005-06

Project: Domestication and commercialisation of multi-purpose indigenous trees and shrubs for food and other products in Papua New Guinea, the Solomon Islands and Queensland: a feasibility study with special reference to Canarium nut
Region/Country(ies): South Pacific and Papua New Guinea

Project: Improving the value chain for plantation-grown eucalypt sawn wood in China, Vietnam and Australia: sawing and drying
Region/Country(ies): North Asia/ Southeast Asia
Funding: FY2005-06 - $156,363
NB: Funding for this project continues beyond FY2005-06

Project: Alternatives to slash and burn in SE Asia, phase 3: Facilitating development of agroforestry systems
Region/Country(ies): Southeast Asia
Funding: FY 2000-01 - $99,950, FY2001-02 - $101,000, FY2002-03 - $100,950

Project: Application of molecular marker technologies for genetic improvement of forest plantation species in Indonesia and Australia
Region/Country(ies): Southeast Asia

Project: Breeding to enhance productivity of plantations of Melaleucas for essential oil production in Indonesia
Region/Country(ies): Southeast Asia
Funding: FY 2000-01 - $107,731, FY2001-02 - $10,080, FY2002-03 - $14,165

Project: Mixed species plantations of high-value trees for timber production and enhanced community services in Vietnam and Australia
Region/Country(ies): Southeast Asia

QUESTIONS IN WRITING
Project: Improving the value chain for plantation-grown eucalypt sawn wood in China, Vietnam and Australia: Genetics and silviculture
Region/Country(ies): North Asia/ Southeast Asia
Funding: FY 2005-06 - $173,569
NB: Funding for this project continues beyond FY2005-06

Project: Growth stresses in eucalypts: evaluation and development of measurement techniques
Region/Country(ies): North Asia
Funding: FY2002-03 - $85,777, FY2003-04 - $64,113

Project: The impact of changing agroforestry mosaics on catchment water yield and quality in South-east Asia
Region/Country(ies): Southeast Asia

Project: Community development through rehabilitation of Imperata grassland using trees: A model approach growing *Vitex pubescens* for charcoal production in Kalimantan, Indonesia
Region/Country(ies): Southeast Asia
Funding: FY2000-01 - $41,429, FY2001-02 - $34,973

Project: Domestication of Papua New Guinea’s indigenous forest species
Region/Country(ies): South Pacific and Papua New Guinea

Project: Development of a sustainable, community-based essential oil industry in the Western Province of Papua New Guinea using the region’s woody-plant species
Region/Country(ies): South Pacific and Papua New Guinea

Project: Domestication of Australian trees for reforestation and agroforestry systems in developing countries
Region/Country(ies): Southeast Asia/ South Asia

Project: Alternative to slash and burn agriculture in Indonesia: completing Phase 2 research on net greenhouse gas emissions and the interactions between biodiversity and productivity of agroforests
Region/Country(ies): Southeast Asia  
Funding: FY1998-99 - $100,000

Project: Above-ground biodiversity and productivity assessment for alternatives to slash and burn  
Region/Country(ies): Southeast Asia  
Funding: FY1997-98 - $100,000

Project: Testing and developing criteria and indicators for sustainable management of tropical plantation forests  
Region/Country(ies): South Asia/Southeast Asia  
Funding: FY1996-97- $75,000, FY1997-98 - $75,000

Project: Tree production technologies for the Philippines and tropical Australia  
Region/Country(ies): Southeast Asia  

Project: Nutrition of tropical hardwood species in plantations in the south-western Pacific  
Region/Country(ies): South Pacific & PNG  

Project: Documentation, collection and cultivation of traditionally utilised tree species in northern Australia and eastern Indonesia  
Region/Country(ies): Southeast Asia  
Funding: FY1996-97 - $8,000, FY1997-98 - $113,394

Project: Development of domestication strategies for commercially important species of Meliaceae  
Region/Country(ies): Southeast Asia  

Project: Improving and maintaining productivity of eucalypt plantations in India and Australia  
Region/Country(ies): South Asia  

Project: Manufacture of low-cost wood-cement composites in the Philippines using plantation grown Australian tree species  
Region/Country(ies): Southeast Asia
PROJECTS


Project: New Leucaenas for southeast Asian, Pacific and Australian agriculture
Region/Country(ies): South Pacific & PNG/Southeast Asia
NB: Some funding for this project preceded FY1996-97

Project: Ectomycorrhizal fungi for eucalypt plantations in China
Region/Country(ies): North Asia

Project: Physiology and genetic improvement of Acacia auriculiformis
Region/Country(ies): Southeast Asia
Funding: FY1996-97 - $245,493
NB: Some funding for this project preceded FY1996-97

Project: Australian acacias for sustainable development in China, Vietnam and Australia
Region/Country(ies): North Asia/ Southeast Asia
NB: Some funding for this project preceded FY1996-97

Project: Mastoterms scoping study in PNG
Region/Country(ies): South Pacific & PNG
Funding: FY2005-06 - $50,000

Project: Organise and facilitate Eucalyptus Bio-security Workshop in Bangkok in October 2004
Region/Country(ies): North Asia/South Asia/Southeast Asia
Funding: FY2004-05 - $42,659

Project: Establishing forest pest detection systems in South Pacific countries and Australia
Region/Country(ies): South Pacific & PNG
Funding: FY2005-06 - $17,014
NB: Funding for this project continues beyond FY2005-06

Project: Management of fungal root rot in plantation acacias in Indonesia
Region/Country(ies): Southeast Asia
Funding: FY2005-06 - $127,580

QUESTIONS IN WRITING
**Project:** Development of forest health surveillance systems for South Pacific countries and Australia  
**Region/Country(ies):** South Pacific & PNG  
**Funding:** FY2002-03 - $164,594, FY2003-04 - $148,004, FY2004-05 - $96,589

**Project:** Heart rots in plantation hardwoods in Indonesia and southeast Australia  
**Region/Country(ies):** Southeast Asia  

**Project:** Impacts of fire and its use for sustainable land and forest management in Indonesia and northern Australia  
**Region/Country(ies):** Southeast Asia  
**Funding:** FY2002-03 - $287,788, FY2003-04 - $271,066, FY2004-05 - $235,809

**Project:** The taxonomy of the shoot borer, *Hypsipyla robusta* and allied species in the Asian/Australian region  
**Region/Country(ies):** Southeast Asia/ South Pacific & PNG/South Asia  
**Funding:** FY1999-2000 - $77,152, FY2000-01 - $76,332

**Project:** Use of fire in land management for sustainable agricultural and forestry development in eastern Indonesia and northern Australia - review workshop  
**Region/Country(ies):** Southeast Asia  
**Funding:** FY1998-99 - $112,812

**Project:** Fungal pathogens as a potential threat to tropical acacias  
**Region/Country(ies):** Southeast Asia/ South Asia  
**Funding:** FY1996-97 - $73,625

**Project:** Insect resistance and silvicultural control of the shoot borer, *Hypsipyla robusta*, feeding on species of Meliaceae in Southeast Asia and Australia  
**Region/Country(ies):** Southeast Asia  

**Project:** Status of the tree-damaging Neotermes sp. in Fiji’s American mahogany plantations and preliminary evaluation of the use of entomopathogens for their control  
**Region/Country(ies):** South Pacific & PNG  
**Funding:** FY1998-99 - $149,771

**Project:** Potential insect threat to plantations of acacias and eucalypts in tropical Asia  
**Region/Country(ies):** Southeast Asia  

QUESTIONS IN WRITING

Project: Ecology and control of tip moths feeding on red cedar and allied forest trees in the Meliaceae: Review Workshop
Region/Country(ies): South Pacific & PNG/Southeast Asia/South Asia

Project: Minimising disease impacts on eucalypts in South East Asia
Region/Country(ies): Southeast Asia
NB: Some funding for this project preceded FY1996-97

Project: Review of portable sawmills in the Pacific: Identifying the factors for success
Region/Country(ies): South Pacific & PNG
NB: Funding for this project continues beyond FY2005-06

Project: Can decentralization work for forests and the poor? Policy research to promote sustainable forest management, equitable economic development, and secure local livelihoods in Indonesia
Region/Country(ies): Southeast Asia
NB: Funding for this project continues beyond FY2005-06

Project: Planning methods for sustainable management of timber stocks in Papua New Guinea’s forests
Region/Country(ies): South Pacific & PNG

Project: Testing the utility of the north Queensland rainforest growth and timber yield model in Papua New Guinea
Region/Country(ies): South Pacific & PNG

Project: Genetic diversity and propagation of mangroves
Region/Country(ies): Southeast Asia
AusAID
A number of the activities listed below have a significant forestry component but may not focus exclusively on sustainable forestry or logging. It would be an unreasonable diversion of resources to disaggregate funding for these elements from the broader activity.

**Project:** Support for forestry components through humanitarian assistance to Rohingya returnees in Burma, through CARE Australia.

**Region/Country(ies):** Burma

**Phase 1:** Rakhine Agroforestry Project


**Phase 2:** Rakhine Household Livelihood Security Project

**Funding:** FY2000-01 - $498,290, FY2001-02 - $499,746

**Phase 3:** Rakhine Rural Household Livelihood Security Project

**Funding:** FY2003-04 - $320,000, FY2004-05 - $603,095, FY2005-06 - $786,647

**Project:** Forestry Crime Monitoring Project – UNDP

**Region/Country(ies):** Cambodia

**Funding:** FY1999-2000 - $79,039, FY2000-01 - $170,126

**Project:** Qinghai Forestry Resources Management Project (2002 – 2007)

**Region/Country(ies):** China

**Funding:** FY2002-03 - $3,118,469, FY2003-04 - $2,230,515, FY2004-05 - $2,049,964, FY2005-06 - $1,859,392

NB: Funding for this project continues beyond FY2005-06

**Project:** Reforestation in Oryithulak Township, Yutian County, Hetian Prefecture, Xinjiang Autonomous Region (2001-2003) - Department of Foreign Trade and Economic Cooperation, Xinjiang Autonomous Region

**Region/Country(ies):** China

**Funding:** FYs 1996-2006 - $100,000

**Project:** Reforestation Project, Xifeng City, Qingyang Prefecture, Gansu Province 2001-2002 - Department of Foreign Trade and Economic Cooperation, Gansu Province

**Region/Country(ies):** China

**Funding:** FYs 1996-2006 - $875,035

**Project:** Fiji Forest Resource Tactical Planning Project

**Region/Country(ies):** Fiji

**Funding:** FY1995-96 - $470,057, FY1996-97 - $160,929

QUESTIONS IN WRITING
Project: Forestry Reform Support  
Region/Country(ies): Indonesia  
Funding: FY2000-01 - $410,803

Project: Forest Fire/Haze Technical Assistance  
Region/Country(ies): Indonesia  

Project: Eastern Indonesia Forestry Project - Identification Mission  
Region/Country(ies): Indonesia  

Project: Conservation of Mt Mutis – Timor  
Region/Country(ies): Indonesia  
Funding: FY1995-96 - $77,853

Project: Sustainable Community Livelihoods - Oxfam. This project included a component of community forest management.  
Region/Country(ies): Laos  
Funding: FYs2000-06 - $1,466,122

Project: Highland Integrated Rural Development - United Nations Drug Control Programme (UNDCP). This project included a component of community forest management.  
Region/Country(ies): Laos  
Funding: FYs1995-98 - $530,000

Project: Paklay Forest Conservation Project – CARE  
Region/Country(ies): Laos  
Funding: FY2003-04 - $63,777

Project: Southern Laos Rural Development/ Institutional Strengthening Project – Community Aid Abroad. This project included a component of community forest management.  
Region/Country(ies): Laos  
Funding: FYs1995-00 - $720,460

Project: South Pacific Regional Initiative on Forest Genetic Resources (SPRIG 2)  
Region/Country(ies): Pacific including Cook Islands, Fiji, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu  

QUESTIONS IN WRITING
Project: Pacific Forests and Trees Support Program
Region/Country(ies): Pacific

Project: SPC Forests and Trees Phase 2
Region/Country(ies): Pacific Island members of the Secretariat of the Pacific Community
Funding: FY2001-02 - $54,702, FY2002-03 - $82,798

Project: South Pacific Regional Initiative on Forest Genetic Resources (SPRING 1)
Region/Country(ies): Pacific including Fiji, Samoa, Tonga, Vanuatu

Project: National Forestry and Conservation Action Program (NFCAP) Trust Fund
Region/Country(ies): Papua New Guinea
Funding: FY1996-97 - $200,000, FY1999-2000 - $124,751
NB: Some funding for this project preceded FY1996-97

Project: Structural Reform Program: Consultants Fund
Region/Country(ies): Papua New Guinea
Funding: FY1999-2000 - $1,626,646, FY2000-01 - $1,664,585, FY2001-02 - $1,090,000

Project: Support to the World Bank Australian Consultant Trust Fund (ACTF)
Region/Country(ies): Papua New Guinea
Funding: FY2002-03 - $415,000, FY2003-04 - $1,000,000

Project: Mama Graun Conservation Trust Fund
Region/Country(ies): Papua New Guinea

Project: PNG Forestry Human Resource Development Project
Region/Country(ies): Papua New Guinea
NB: Some funding for this project preceded FY1996-97
Project: Forest Sector Support Program  
Region/Country(ies): Papua New Guinea  
NB: Some funding for this project preceded FY1996-97

Project: Silvicultural & Logging Workshops  
Region/Country(ies): Papua New Guinea  

Project: Forest Sector Commodities Assistance Program (CASP)  
Region/Country(ies): Papua New Guinea  

Project: Sustainable Forest Management Project  
Region/Country(ies): Papua New Guinea  
Funding: FY1999-2000 - $558,917, FY2000-01 - $628

Project: Sustainable Forest Management in PNG  
Region/Country(ies): Papua New Guinea  
Funding: FY2000-01 - $145,788

Project: Sustainable Management & Livelihoods  
Region/Country(ies): Papua New Guinea  
Funding: FY2001-02 - $246,668, FY2002-03 - $248,517

Project: Melanesian Sustainable Livelihoods Program  
Region/Country(ies): Papua New Guinea  

Project: Advisory Support Facility (ASFI & ASFII) support to the PNG National Forestry Authority  
Region/Country(ies): Papua New Guinea  

Project: Philippines Australia Community Assistance Program (PACAP)  
Region/Country(ies): Philippines  
Funding: Funding for forest management projects are implemented through the PACAP, under which approximately $6,500,000 was spent in FY1996-97 to FY2005-06. It would be an unreasonable diversion of resources to undertake a breakdown of funding specifically allocated to sustainable forest management and illegal logging for each financial year.
Region/Country(ies): Solomon Islands
NB: Funding for this project continues beyond FY2005-06

Region/Country(ies): Solomon Islands

Project: World Wildlife Fund (WWF) - Solomon Islands Forest Strategy (ANCP – NGO)
Region/Country(ies): Solomon Islands
Funding: FY2005-06 - $50,893

Project: Community forestry for ethnic minority villages - NGO Vietnam Australia Programme (NOVA)
Region/Country(ies): Vietnam

Project: Phuong national park conservation - Australian Small Activity Scheme (ASAS)
Region/Country(ies): Vietnam

Project: Management of Non-timber forest products in Nghe An province – ASAS
Region/Country(ies): Vietnam
Funding: FY2002-03 - $83,000

Project: Establishing community-based forest management models – ASAS
Region/Country(ies): Vietnam
Funding: FY2004-05 - $64,350

Project: Livelihood for women living in buffer zone of Tam Dao national park – ASAS
Region/Country(ies): Vietnam
Funding: FY2002-03 - $68,300

Project: Protest Forest Biodiversity Phu Luong - Association for Research and Environmental Aid
Region/Country(ies): Vietnam
Funding: FY1996-97 - $117,288
US Strategic Bomber Training Program
(Question No. 4963)

Mr Melham asked the Minister for Defence, in writing, on 6 December 2006:
Further to his responses to question No. 2819 (Hansard, 9 February 2006, page 195) and question No. 3553 (Hansard, 10 August 2006, page 188), on what dates have United States Air Force aircraft visited Australia as part of the United States Strategic Bomber Training Program and, on each occasion, what aircraft types and United States Air Force units were involved.

Dr Nelson—The answer to the honourable member’s question is as follows:
On two occasions, under the United States Pacific Air Force Bomber Program:
• 23-27 July 2006. Two B-2 aircraft from United States Air Force’s (USAF) 13th Expeditionary Bomber Squadron flew from Guam to Delamere Range Facility in the Northern Territory. The aircraft then returned to Guam without landing in Australia. The B-2s were supported by two USAF KC-10 air-to-air refueller aircraft from USAFs 60th Air Mobility Wing that were based at RAAF Darwin 23-27 July 2006. On 27 July 2006, two B-2 aircraft from the USAFs 13th Expeditionary Bomber Squadron flew Guam to RAAF Darwin then returned to Guam.
• 24 October 2006. Two B-52 aircraft from USAFs 23rd Expeditionary Bomber Squadron flew from Guam to Delamere Range Facility in the Northern Territory. The aircraft returned to Guam and did not land in Australia.

Defence: Visiting Warships
(Question No. 4964)

Mr Melham asked the Minister for Defence, in writing, on 6 December 2006:
In respect of each visit to an Australian port by a United States Navy or Royal Navy vessel since 31 December 2005, (a) what was the name of the visiting vessel, (b) what was the type or class of the vessel, (c) was the vessel nuclear powered, (d) which Australian port did the vessel visit, and (e) what were the dates of arrival and departure from the port.

Dr Nelson—The answer to the honourable member’s question is as follows:

United States Navy:

<table>
<thead>
<tr>
<th>Ship Name</th>
<th>Class</th>
<th>Nuclear Powered</th>
<th>Port Visited</th>
<th>Arrival Date</th>
<th>Departure Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>USNS Concord</td>
<td>Combat Stores Ship</td>
<td>No</td>
<td>Brisbane</td>
<td>31 Dec 05</td>
<td>4 Jan 06</td>
</tr>
<tr>
<td>USS Ronald Reagan</td>
<td>Aircraft Carrier</td>
<td>Yes</td>
<td>Brisbane</td>
<td>23 Jan 06</td>
<td>27 Jan 06</td>
</tr>
<tr>
<td>USS Lake Champlain</td>
<td>Guided Missile Cruiser</td>
<td>No</td>
<td>Mackay</td>
<td>23 Jan 06</td>
<td>28 Jan 06</td>
</tr>
<tr>
<td>USS McCampbell</td>
<td>Guided Missile Destroyer</td>
<td>No</td>
<td>Townsville</td>
<td>24 Jan 06</td>
<td>28 Jan 06</td>
</tr>
<tr>
<td>USS Decatur</td>
<td>Guided Missile Destroyer</td>
<td>No</td>
<td>Townsville</td>
<td>24 Jan 06</td>
<td>28 Jan 06</td>
</tr>
<tr>
<td>USS Pinckney</td>
<td>Guided Missile Destroyer</td>
<td>No</td>
<td>Brisbane</td>
<td>25 Jan 06</td>
<td>29 Jan 06</td>
</tr>
<tr>
<td>USS Pinckney</td>
<td>Guided Missile Destroyer</td>
<td>No</td>
<td>Sydney</td>
<td>30 Jan 06</td>
<td>4 Feb 06</td>
</tr>
<tr>
<td>USNS San Jose</td>
<td>Combat Stores Ship</td>
<td>No</td>
<td>Darwin</td>
<td>10 Feb 06</td>
<td>14 Feb 06</td>
</tr>
<tr>
<td>USNS Lawrence H. Gianella</td>
<td>Oiler</td>
<td>No</td>
<td>Brisbane</td>
<td>24 Feb 06</td>
<td>26 Feb 06</td>
</tr>
</tbody>
</table>
Royal Navy:
There were no Royal Navy ship visits during the period 1 January 2006 to 31 December 2006.

**East Timor**

(Question No. 4968)

Mr McClelland asked the Minister of Defence, in writing, on 7 December 2006:

(1) Did the “apolitical, neutral program” provided by the Australian Defence Force (ADF) to the Falintil Forces de Defesa de Timor-Leste (FDTL) before the outbreak of the current violence in East Timor restrict ADF trainers from responding to the increased sectarianism that was becoming apparent with the FDTL from 2000; in particular, at what point did ADF trainers become aware of

<table>
<thead>
<tr>
<th>Ship Name</th>
<th>Class</th>
<th>Nuclear Powered</th>
<th>Port Visited</th>
<th>Arrival Date</th>
<th>Departure Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>USCGC Polar Star</td>
<td>Ice Breaker</td>
<td>No</td>
<td>Sydney</td>
<td>27 Feb 06</td>
<td>4 Mar 06</td>
</tr>
<tr>
<td>USS Peleliu</td>
<td>Amphibious Assault Ship</td>
<td>No</td>
<td>Townsville</td>
<td>13 Mar 06</td>
<td>22 Mar 06</td>
</tr>
<tr>
<td>USS Port Royal</td>
<td>Guided Missile Cruiser</td>
<td>No</td>
<td>Sydney</td>
<td>14 Mar 06</td>
<td>19 Mar 06</td>
</tr>
<tr>
<td>USS Germantown</td>
<td>Landing Ship Dock</td>
<td>No</td>
<td>Cairns</td>
<td>15 Mar 06</td>
<td>17 Mar 06</td>
</tr>
<tr>
<td>USNS Yukon</td>
<td>Oiler</td>
<td>No</td>
<td>Darwin</td>
<td>23 Mar 06</td>
<td>26 Mar 06</td>
</tr>
<tr>
<td>USS Chung-Hoon</td>
<td>Guided Missile Destroyer</td>
<td>No</td>
<td>Townsville</td>
<td>2 May 06</td>
<td>6 May 06</td>
</tr>
<tr>
<td>USNS Concord</td>
<td>Combat Stores Ship</td>
<td>No</td>
<td>Darwin</td>
<td>4 Jul 06</td>
<td>7 Jul 06</td>
</tr>
<tr>
<td>USS Corpus Christi</td>
<td>Submarine</td>
<td>Yes</td>
<td>Brisbane</td>
<td>21 Jul 06</td>
<td>28 Jul 06</td>
</tr>
<tr>
<td>USS Russell</td>
<td>Guided Missile Destroyer</td>
<td>No</td>
<td>Fremantle</td>
<td>7 Aug 06</td>
<td>14 Aug 06</td>
</tr>
<tr>
<td>USS Cowpens</td>
<td>Guided Missile Cruiser</td>
<td>No</td>
<td>Fremantle</td>
<td>7 Aug 06</td>
<td>14 Aug 06</td>
</tr>
<tr>
<td>USNS Kiska</td>
<td>TAE</td>
<td>No</td>
<td>Darwin</td>
<td>8 Aug 06</td>
<td>15 Aug 06</td>
</tr>
<tr>
<td>USS Kitty Hawk</td>
<td>Aircraft Carrier</td>
<td>No</td>
<td>Fremantle</td>
<td>10 Aug 06</td>
<td>14 Aug 06</td>
</tr>
<tr>
<td>USNS Flint</td>
<td>Ammunition Ship</td>
<td>No</td>
<td>Cockburn sound</td>
<td>10 Aug 06</td>
<td>15 Aug 06</td>
</tr>
<tr>
<td>USNS Tippecanoe</td>
<td>Oiler</td>
<td>No</td>
<td>Fremantle</td>
<td>11 Aug 06</td>
<td>12 Aug 06</td>
</tr>
<tr>
<td>USS Russell</td>
<td>Guided Missile Destroyer</td>
<td>No</td>
<td>Darwin</td>
<td>19 Aug 06</td>
<td>20 Aug 06</td>
</tr>
<tr>
<td>USS Momsen</td>
<td>Guided Missile Destroyer</td>
<td>No</td>
<td>Fremantle</td>
<td>31 Aug 06</td>
<td>4 Sep 06</td>
</tr>
<tr>
<td>USS Salvor</td>
<td>Salvage Ship</td>
<td>No</td>
<td>Cairns</td>
<td>31 Aug 06</td>
<td>6 Sep 06</td>
</tr>
<tr>
<td>USNS Mercy</td>
<td>Hospital Ship</td>
<td>No</td>
<td>Darwin</td>
<td>2 Sep 06</td>
<td>05 Sep 06</td>
</tr>
<tr>
<td>HSV Joint Venture</td>
<td>High Speed Vessel</td>
<td>No</td>
<td>Townsville</td>
<td>23 Sep 06</td>
<td>24 Sep 06</td>
</tr>
<tr>
<td>HSV Joint Venture</td>
<td>High Speed Vessel</td>
<td>No</td>
<td>Sydney</td>
<td>26 Sep 06</td>
<td>26 Sep 06</td>
</tr>
<tr>
<td>HSV Joint Venture</td>
<td>High Speed Vessel</td>
<td>No</td>
<td>Hobart</td>
<td>27 Sep 06</td>
<td>3 Oct 06</td>
</tr>
<tr>
<td>USNS San Jose</td>
<td>Combat Stores Ship</td>
<td>No</td>
<td>Darwin</td>
<td>1 Oct 06</td>
<td>6 Oct 06</td>
</tr>
<tr>
<td>USS Benfold</td>
<td>Guided Missile Destroyer</td>
<td>No</td>
<td>Darwin</td>
<td>09 Oct 06</td>
<td>13 Oct 06</td>
</tr>
<tr>
<td>USS Howard</td>
<td>Guided Missile Destroyer</td>
<td>No</td>
<td>Darwin</td>
<td>9 Oct 06</td>
<td>13 Oct 06</td>
</tr>
<tr>
<td>USCGC Polar Sea</td>
<td>Ice Breaker</td>
<td>No</td>
<td>Sydney</td>
<td>18 Dec 06</td>
<td>23 Dec 06</td>
</tr>
</tbody>
</table>
East-West tensions within the security forces and why was this not addressed through training between 2000 and the current outbreak of violence.

(2) Was any humanitarian law training given to the FDTL members, including Major Reinado, by the ADF or other countries between 1999 and the current outbreak of violence; if so, what did that training comprise; if not, why not.

(3) Has the defence assistance program to East Timor contained a level of capability development commensurate with that currently being conducted with Iraqi security forces; specifically, has it contained: (a) classroom instruction; (b) demonstrations and seminars; (c) one-on-one counselling and mentoring on detainee management; (d) the law of armed conflict; (e) human rights and rules of engagement training; and (f) instruction for defence officials on personnel management, infrastructure, training, capability, governance, strategic policy, emergency management, defence and civil-military cooperation.

(4) What capabilities developed during the original Defence Cooperation Program to the East Timor Defence Force (ETDF) have survived its recent breakdown.

(5) What are the current activities of ADF personnel attached to the Defence Cooperation Program and what is the scope of the program.

(6) In respect of the Government’s long-term plans for peace-building in East Timor: (a) what are its plans for developing the effectiveness of (i) government departments, (ii) the East Timorese police forces and (iii) the ETDF; (b) what are the current projections for the timeframe of Government assistance in each of these areas; and (c) what are the benchmarks for success in each of these areas.

(7) What policy has the Government developed to prevent any future collapse of East Timorese institutions.

Dr Nelson—The answer to the honourable member’s question is as follows:

(1) The Falinti Forces de Defesa de Timor-Leste (F-FDTL) was initially formed from the Falintil resistance fighters - the majority of whom came from the East of the country. However, at each successive F-FDTL recruitment intake the proportion from the West of the country increased. It, therefore, seemed apparent that any perceived East/West imbalance within the F-FDTL was steadily decreasing. ADF personnel working in East Timor under the Defence Cooperation Program (DCP) were not restricted from responding to any perceived sectarianism, but this was not identified as a significant problem until the 2006 petitioners strike and their subsequent dismissal. DCP personnel have remained apolitical throughout.

(2) No specific humanitarian law training has been provided to the F-FDTL by Australia in East Timor. As part of donor coordination consultation, other bilateral donors such as the United States, United Kingdom and Brazil undertook to provide assistance in the areas of Rules of Engagement, the law of armed conflict, and human rights training.

(3) (a) to (f) Australia’s DCP with East Timor differs from our defence cooperation relationship with Iraq. As a primary donor to East Timor in both defence and broader development assistance, Australia’s level of defence development assistance to East Timor is greater than that provided to Iraq. Australia’s DCP with East Timor includes classroom instruction, seminars, mentoring of F-FDTL personnel and the provision of advisers within the Ministry of Defence, the military headquarters and units. These advisers provide advice on personnel management, infrastructure development, training, capability management, civil-military operations, and governance. F-FDTL cadets who attend the Royal Military College in Canberra undertake some training in the Law of Armed Conflict and Rules of Engagement. I am not aware of the Government of East Timor having requested assistance in counselling or mentoring on detainee management.

(4) Following the violence in April/May 2006 our DCP activities in East Timor were reduced. This remains the case today. Defence will review the situation when the Government of East Timor
promulgates its long term development plan for the F-FDTL. In the meantime, specific F-FDTL
capabilities that the DCP continues to support includes: communications; engineering and con-
struction; and the F-FDTL training base at Metinaro, which was built by Australia.

(5) Prior to the violence in April/May 2006, Defence had 25 DCP personnel posted to East Timor. This
figure was reduced to 17 in August 2006 to align staff with the reduced DCP effort. Presently, DCP
personnel provide assistance to East Timor’s Ministry of Defence and the F-FDTL. DCP staff is as-
sisting in the areas of communications; engineering and construction; English language training;
leadership training; first aid training; civil-military operations; and management and governance.

(6) (a) (iii), (b) (iii) and (c) (iii) Our benchmarks for success will be an F-FDTL that is responsive to
lawful government direction; has the capacity to meet appropriate East Timorese security
needs, particularly with respect to maritime security, border security, and nation-building
tasks; and is disciplined and well administered. Given the current limited capacity of the F-
FDTL, a number of these benchmarks are likely to take several years to fully achieve. The
Government is, therefore, committed to providing a significant level of DCP assistance to the
F-FDTL over the long term.

(6) (a) (i) (ii); (b) (i) (ii) and (c) (i) (ii) and (7) These questions should be directed to the Minister for
Foreign Affairs.

Afghanistan
(Question No. 4969)

Mr McClelland asked the Minister for Defence, in writing, on 7 December 2006:

(1) Does the Government agree with the assessment made by Major-General Hindmarsh on
27 September 2006 that “there are a substantial number of anti-coalition militia still in [Oruzgan]”;
if so, can the Government confirm whether the number of militia is currently increasing or decreas-
ing.

(2) Why did the Government not extend the deployment of the Special Forces Task Group (SFTG) in
Afghanistan.

(3) Is there still a valid mission for Australian Special Forces to perform in Oruzgan.

(4) Which aspects of the SFTG’s capability are now being covered by the Dutch Special Forces, and
what capabilities, if any, are no longer being covered.

(5) What is the Government’s position on criticism that the current spending on wages for the Afghan
security services is drastically unsustainable by the Afghan Government in the absence of foreign
funding.

(6) Is there a Coalition strategy for sustainable transfer of economic responsibility from international
donors to the Afghan Government.

(7) What training programs and institution-building activities are the Dutch currently undertaking in
respect of the Afghan National Army (ANA) and Afghan police force in Oruzgan and why is Aus-
tralia not contributing to this training.

(8) Has the Australian Government considered any options to support the activities referred to in
Part (7); if not, why not.

(9) How many (a) ANA personnel and (b) police are stationed in Oruzgan.

(10) What is the ultimate target number of (a) ANA and (b) police personnel to be trained in Oruzgan.

(11) Can the Government confirm claims that former Oruzgan Governor, Jan Mohammad, appointed a
Popalzai-dominated administration at the exclusion of other groups and tribes.

(12) Does the Government have any concerns about marginalisation of ethnic or tribal groups by the
current provincial administration.
Can the Government confirm the International Crisis Group Report of 2 November 2006 that Taliban operations in Oruzgan are coordinated by the Quetta Shura, the commanders of which are based in Balochistan, Pakistan.

What information does the Government have about Pakistani support for the Taliban.

Is the Government making any representations to the Pakistani Government regarding its relationship with the Taliban; if so, what are those details.

Since 2004 in Oruzgan province, how many attacks on schools have occurred, how many schools have closed and what measures is the Coalition taking in Oruzgan to combat this threat.

Can the Government confirm the International Crisis Group Report of 2 November 2006 that district centres in Oruzgan were attacked and briefly overtaken by insurgents; if so, what are the details of those incidents.

Can the Government confirm that, in 2005, 1,953 tonnes of the 2,000-tonne increase in opium production were sourced from the southern regions of Afghanistan, including Oruzgan; if so, what are the statistics for Oruzgan’s increase in opium production for that period.

What measures is the Coalition taking in Oruzgan to combat poppy cultivation.

Is Australia contributing to, or has it considered contributing to, the counter-narcotics program in Oruzgan; if not, why not.

What would be the impact of the withdrawal of the troops currently performing ‘Security Over Watch’ in Iraq upon Australia’s capacity to commit to Afghanistan; in particular, what would be the impact upon Australia’s capacity to provide logistic and intelligence resources to support Australian troops in Afghanistan.

Dr Nelson—The answer to the honourable member’s question is as follows:

Following a reassessment of the security situation in 2005, the Government decided to again send troops to Afghanistan. A Special Forces Task Group (SFTG) was deployed to Afghanistan for 12 months. The SFTG’s deployment occurred at a crucial time for the Afghanistan government as it faced significant challenges in extending its authority beyond the capital, Kabul, in its bid to secure national unity. The SFTG deployment was not extended beyond 12 months due to the high operational tempo and heavy workload, as well as the broader effort in Afghanistan, which now focuses on reconstruction. Within that context, Defence has deployed a Reconstruction Task Force (RTF) with a robust force protection element commensurate with the threat within the Oruzgan province to meet the international community’s intent to rebuild the country.

Defence continually assesses the situation in Afghanistan in the context of our current RTF and other possible contributions. The Government may consider the provision of additional capability should it be considered necessary.

The SFTG provided reconnaissance, surveillance, and other specialised capabilities to the United States led coalition’s operations against Al Quida and the Taliban. The SFTG also conducted non-combat operations, which included providing medical and veterinary support, assistance for local schools, and humanitarian support. The Government cannot comment on the actual capabilities of foreign military forces.

The Government agrees that the future development and success of Afghanistan’s national security services will be dependent on international support, and we note the progress made by the Afghan national security forces, and the significant contributions made by the international community. It is important that Australia and the international community continue to assist the Afghanistan government in this process.
(6) While international military forces have no direct role in the development of Afghanistan’s economy, the international community is placing significant effort into the development of the Afghan economy and the Afghanistan Government’s ability to responsibly manage its economic affairs. The Afghanistan Compact, for example, is the result of consultation between the Afghanistan Government, the United Nations and the international community, and represents a framework for cooperation over the next five years, which focuses on further developing Afghanistan’s economic responsibility.

(7) The Government does not comment on the specific initiatives of other governments. One of the important tasks of the ADF RTF is to provide trade skills training for the local population in Oruzgan and engineering training skills for the Afghan security forces.

(8) One of the important tasks of the ADF RTF is to not only provide trade skills training for the local population in Oruzgan, but engineering training skills for the Afghan security forces as well. The Australian Government is committed to assisting the Afghan government achieve security and stability, and would consider any formal requests for training assistance.

(9) (a) and (b) This is a matter for the Afghanistan government.

(10) (a) and (b) The Australian Government understands that there are no specific Afghan National Army or police training targets for Oruzgan province. A national target of 70,000 Afghan National Army personnel is anticipated by October 2008, and by the end of 2010 it is anticipated that a fully functional and ethnically balanced Afghan National Police and Afghan Border Police with a combined force of up to 62,000 will be able to meet the security needs of the country and be increasingly fiscally sustainable.

(11) The Government is aware of such claims made against former Oruzgan Governor Jan Mohammad. The Government recognises the current Oruzgan Governor Monib as the legitimate government-appointed authority in the province. Any decisions made by a former governor would be an internal matter for the Afghanistan government.

(12) Australia encourages an inclusive form of government that governs for all. Although we are aware that a broad array of tribes and ethnic groups with diverse and differing views exist in Afghanistan, we recognise that the Afghan people are working hard to achieve stability, peace and democracy after many years of violence and extremism. Afghanistan will continue to face challenges on its path towards democracy and security, however, Australia and other members of the international community will continue to provide assistance to the Afghan people.

(13) The Government is aware of the report by the International Crisis Group on 2 November 2006. However, this information is classified and cannot be released.

(14) This information is classified and cannot be released.

(15) The Minister for Foreign Affairs, the Hon Alexander Downer MP, has written to Foreign Minister Kasuri asking Pakistan to increase efforts to curtail the cross border movements of Taliban-led insurgents to and from Afghanistan.

(16) Defence does not have the exact figures on the number of attacks on schools and how many have closed in Oruzgan. Australia’s RTF is assisting the Government of Afghanistan establish security and reconstruction, including the rebuilding of a local high school, in order to facilitate Afghanistan’s long-term peace, stability and development. This includes providing education opportunities for Afghan men, women and children.

(17) The Government is aware of the report by the International Crisis Group on 2 November 2006. However, information held by Australia remains operationally sensitive and cannot be released to the public.

(18) The Government is not in a position to confirm the figures provided. The United Nations Office on Drug and Crime Afghanistan Opium Survey 2006 reports that opium cultivation per hectare in
2005 in the southern region of Afghanistan decreased from 2004 levels, but in 2006 opium production levels in the southern region increased.

(19) International Security Assistance Force, including Australia, is committed to supporting the Afghanistan Government in the development and prosecution of its National Drug Control Strategy (NDCS) through the improvement of security, national institutions and infrastructure.

The United Kingdom leads support among the international community for the Afghanistan Government to tackle the narcotics trade.

The international community is encouraging the delivery of the Afghanistan Government’s updated NDCS, which was launched at the London Conference on Afghanistan, 31 January - 1 February 2006. The NDCS set out the Afghanistan Government’s counter narcotics policies over the next five years, and highlights four key priorities where activity is likely to make the greatest impact in the short-term, namely: targeting the trafficker and the trade, strengthening and diversifying legal rural livelihoods, developing effective counter narcotics institutions and demand reduction.

(20) Yes. Australia has provided $4.5 million in direct support of counter-narcotics efforts in Afghanistan.

(21) The Government has committed an appropriate contribution to Afghanistan as part of our commitment towards working together with the international community to help prevent acts of terrorism. Australia is able to adequately provide logistic and intelligence resources to support Australian troops in Afghanistan, irrespective of our commitment in Iraq.