House of Representatives

Official Hansard

No. 5, 2007
Thursday, 29 March 2007

FORTY-FIRST PARLIAMENT
FIRST SESSION—EIGHTH PERIOD

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SITTING DAYS—2007

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

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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 Robert Francis McMullan MP

Party Leaders and Whips

Liberal Party of Australia

Leader—The Hon. John Winston Howard MP
Deputy Leader—The Hon. Peter Howard Costello MP
Chief Government Whip—Mr Kerry Joseph Bartlett MP
Government Whips—Mrs Joanna Gash MP and Mr Fergus Stewart McArthur MP

The Nationals

Leader—The Hon. Mark Anthony James Vaile MP
Deputy Leader—The Hon. Warren Errol Truss MP
Chief Whip—Mrs Kay Elizabeth Hull MP
Whip—Mr Paul Christopher Neville MP

Australian Labor Party

Leader—Mr Kevin Michael Rudd MP
Deputy Leader—Ms Julia Eileen Gillard MP
Chief Opposition Whip—The Hon. Leo Roger Spurway Price MP
Opposition Whips—Mr Michael David Danby MP and Ms Jill Griffiths Hall MP

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

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<td>Turnbull, Hon. Malcolm Bligh</td>
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<td>Vaile, Hon. Mark Anthony James</td>
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<td>Vale, Hon. Danna Sue</td>
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Members of the House of Representatives

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

Heads of Parliamentary Departments
Clerk of the Senate—H Evans
Clerk of the House of Representatives—I C Harris
Secretary, Department of Parliamentary Services—H R Penfold QC
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Minister for Transport and Regional Services and Deputy Prime Minister

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

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The Hon. Mark Anthony James Vaile MP
The Hon. Peter Howard Costello MP
The Hon. Warren Errol Truss MP
The Hon. Dr Brendan John Nelson MP
The Hon. Alexander John Gosse Downer MP
The Hon. Anthony John Abbott MP
The Hon. Philip Maxwell Ruddock MP
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The Hon. Peter John McGauran MP
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The Hon. Julie Isabel Bishop MP
The Hon. Malcolm Thomas Brough MP
The Hon. Ian Elgin Macfarlane MP
The Hon. Joseph Benedict Hockey MP
Senator the Hon. Helen Lloyd Coonan
The Hon. Malcolm Bligh Turnbull MP
Senator the Hon. Christopher Martin Ellison

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| 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 Revenue and Assistant Treasurer | The Hon. Peter Craig Dutton MP |
| Minister for Workforce Participation | The Hon. Dr Sharman Nancy Stone MP |
| Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence | The Hon. Bruce Frederick Billson MP |
| Special Minister of State | The Hon. Gary Roy Nairn MP |
| Minister for Ageing | The Hon. Christopher Maurice Pyne MP |
| Minister for Vocational and Further Education | The Hon. Andrew John Robb MP |
| 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 Justice and Customs | Senator the Hon. David Albert Lloyd Johnston |
| Assistant Minister for Immigration and Citizenship | The Hon. Teresa Gambaro MP |
| Assistant Minister for the Environment and Water Resources | The Hon. John Kenneth Cobb MP |
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| Parliamentary Secretary to the Minister for Transport and Regional Services | The Hon. De-Anne Margaret Kelly MP |
| Parliamentary Secretary to the Treasurer | The Hon. Christopher John Pearce MP |
| Parliamentary Secretary to the Minister for Finance and Administration | Senator the Hon. Richard Mansell Colbeck |
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| Parliamentary Secretary to the Minister for Foreign Affairs | The Hon. Gregory Andrew Hunt MP |
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| Parliamentary Secretary to the Minister for Education, Science and Training | The Hon. Patrick Francis Farmer MP |
| Parliamentary Secretary to the Minister for Defence | The Hon. Peter John Lindsay MP |
| Parliamentary Secretary to the Minister for Health and Ageing | Senator the Hon. Brett John Mason |
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Deputy Leader of the Opposition, Shadow Minister for Employment and Industrial Relations and Shadow Minister for Social Inclusion
Leader of the Opposition in the Senate and Shadow Minister for National Development, Resources and Energy
Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology
Shadow Minister for Infrastructure and Water and Manager of Opposition Business in the House
Shadow Minister for Homeland Security, Shadow Minister for Justice and Customs and Shadow Minister for Territories
Shadow Assistant Treasurer and Shadow Minister for Revenue and Competition Policy
Shadow Minister for Immigration, Integration and Citizenship
Shadow Minister for Industry and Shadow Minister for Innovation, Science and Research
Shadow Minister for Trade and Shadow Minister for Regional Development
Shadow Minister for Service Economy, Small Business and Independent Contractors
Shadow Minister for Multicultural Affairs, Shadow Minister for Urban Development and Shadow Minister for Consumer Affairs
Shadow Minister for Transport, Roads and Tourism
Shadow Minister for Defence
Shadow Minister for Climate Change, Environment and Heritage and Shadow Minister for the Arts
Shadow Minister for Veterans’ Affairs, Shadow Minister for Defence Science and Personnel and Shadow Special Minister of State
Shadow Attorney-General and Manager of Opposition Business in the Senate
Shadow Minister for Sport and Recreation, Shadow Minister for Health Promotion and Shadow Minister for Local Government
Shadow Minister for Families and Community Services and Shadow Minister for Indigenous Affairs and Reconciliation
Shadow Minister for Foreign Affairs
Shadow Minister for Ageing, Disabilities and Careers

Kevin Michael Rudd MP
Julia Eileen Gillard MP
Senator Christopher Vaughan Evans
Senator Stephen Michael Conroy
Anthony Norman Albanese MP
The Hon. Archibald Ronald Bevis MP
Christopher Eyles Bowen MP
Anthony Stephen Burke MP
Senator Kim John Carr
The Hon. Simon Findlay Crean MP
Craig Anthony Emerson MP
Laurence Donald Thomas Ferguson MP
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Alan Peter Griffin MP
Senator Joseph William Ludwig
Senator Kate Alexandra Lundy
Jennifer Louise Macklin MP
Robert Bruce McClelland MP
Senator Jan Elizabeth McLucas
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Robert Francis McMullan MP

Shadow Minister for Primary Industries, Fisheries and Forestry
Senator Kerry Williams Kelso O’Brien

Shadow Minister for Human Services, Shadow Minister for Housing, Shadow Minister for Youth and Shadow Minister for 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 Minister for Public Administration and Accountability, Shadow Minister for Corporate Governance and Responsibility and Shadow Minister for Workforce Participation
Senator Penelope Ying Yen Wong

Shadow Parliamentary Secretary for Foreign Affairs
Anthony Michael Byrne MP

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

Shadow Parliamentary Secretary for Environment and Heritage
Jennie George MP

Shadow Parliamentary Secretary for Treasury
Catherine Fiona King MP

Shadow Parliamentary Secretary for Education
Kirsten Fiona Livermore MP

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

Shadow Parliamentary Secretary for Industrial Relations
Brendan Patrick John O’Connor MP

Shadow Parliamentary Secretary for Industry and Innovation
Bernard Fernando Ripoll MP

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

Shadow Parliamentary Secretary to the Leader of the Opposition (Social and Community Affairs)
Senator Ursula Mary Stephens
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The SPEAKER (Hon. David Hawker) took the chair at 9.00 am and read prayers.

NATIVE TITLE AMENDMENT (TECHNICAL AMENDMENTS) BILL 2007

First Reading

Bill and explanatory memorandum presented by Mr Ruddock.

Bill read a first time.

Second Reading

Mr Ruddock (Berowra—Attorney-General) (9.01 am)—I move:

That this bill be now read a second time.

The Native Title Amendment (Technical Amendments) Bill 2007 will make a large number of technical and minor amendments to the Native Title Act 1993. These amendments are one of the six components of the package of native title system reforms which have been underway since 2005. Together with the Native Title Amendment Bill 2006, this bill will implement the bulk of legislative change stemming from the native title system reforms.

The bill is the result of significant consultation with people involved in all parts of the native title system, and the amendments in it reflect issues raised for consideration by those stakeholders.

The bill contains around 40 different measures which, when taken together, will increase the effectiveness of the processes in the Native Title Act.

While many of the amendments will clarify ambiguities in the Native Title Act, some will have a more substantive effect.

The bill will amend provisions relating to future act and Indigenous land use agreement processes, processes for making and resolving native title claims, and the obligations of the registrar in relation to the registration of claims. Provisions in the bill will also clarify the scope of alternative state regimes under section 43 and establish a more flexible scheme for payments held under right to negotiate processes.

The technical amendments part of the bill will commence by proclamation, a measure designed to give adequate time to all parties to understand and prepare for the changes.

The bill will also partially implement two recommendations of the report on prescribed bodies corporate, which was released in October last year and will amend provisions relating to representative bodies to complement the reforms made by the 2006 bill.

While these amendments are minor and technical in nature, they will substantially improve the workability of the Native Title Act. These changes, together with the amendments made by the Native Title Amendment Bill 2006, will result in system wide improvement to processes for future acts and for the resolution of native title claims, without undermining the existing balance of rights and interests under the Native Title Act.

I commend the bill to the House.

Debate (on motion by Mr Edwards) adjourned.

HEALTH INSURANCE AMENDMENT (DIAGNOSTIC IMAGING ACCREDITATION) BILL 2007

First Reading

Bill and explanatory memorandum presented by Mr Abbott.

Bill read a first time.

Second Reading

Mr Abbott (Warringah—Minister for Health and Ageing) (9.04 am)—I move:

That this bill be now read a second time.
The Health Insurance Amendment (Diagnostic Imaging Accreditation) Bill 2007 will make a number of amendments to the Health Insurance Act 1973 to establish a framework for the introduction of an accreditation scheme for practices providing diagnostic imaging services covered by the Radiology Quality and Outlays Memorandum of Understanding. The radiology MoU is one of four collaborative agreements the government has with the diagnostic imaging industry and profession to manage Medicare funded imaging services.

The radiology MoU covers the majority of diagnostic imaging services, with the exception of cardiac imaging, nuclear medicine imaging and obstetric and gynaecological ultrasound. It accounts for around 80 percent of the diagnostic services covered by Medicare.

In 2005-06 approximately 12.6 million services were claimed under the radiology MoU, attracting in the order of $1.2 billion in Medicare benefits. These services were rendered from around 3,100 practice sites. The radiology MoU represents 12 per cent of total Medicare expenditure.

The introduction of an accreditation scheme is one of the key initiatives of the radiology MoU to support the high-quality delivery of services under Medicare.

Accreditation is a process of externally reviewing an organisation’s performance against a defined set of standards. Accreditation is generally recognised as a means of assisting the health care industry to review and improve systems that support the delivery of safe and high-quality health care. The accreditation process provides:

- a means of ensuring that minimum standards of practice operation are met;
- a benchmark for maintaining that competence; and
- feedback to enhance overall quality in a professional discipline over time.

Accreditation is based on standards and processes devised and developed by, or in association with, health care professionals themselves.

Under the new accreditation scheme, all practices providing services covered by the radiology MoU will need to be accredited in order for Medicare benefits to be payable for those services.

Accreditation will ensure that all sites conform to a set of uniform standards when rendering these services.

For patients, accreditation will provide:
- assurance that radiology services meet or exceed minimum industry standards;
- assurance that the same level of service quality is provided irrespective of where or by whom the radiology service is rendered; and
- confidence in the health care system because appropriate processes are in place to protect their privacy, the handling of complaints and physical safety.

For practices, accreditation will provide:
- confidence that their practice has systems to support the delivery of high quality radiology services;
- assurance that legislative and technical requirements are met or exceeded;
- assurance that staff are technically competent and confident to provide quality radiology services;
- economic benefits through the implementation of robust, streamlined and efficient administrative processes;
- savings from reduced outlays for less than optimal services redistributed to the providers of high quality services; and
potential savings in medical indemnity insurance.

Accreditation will also provide a mechanism by which the government can be assured that services supported by Medicare are being provided only by organisations that are performing against an endorsed set of standards.

The radiology accreditation scheme will complement a number of health care accreditation schemes already operating in Australia, many of which are also linked to financial incentives or government funding.

The bill will create a framework for the introduction of the radiology accreditation scheme. However, it has been designed to allow for the introduction of accreditation schemes for other diagnostic imaging services without further amendments to the act should parliament support extending accreditation to those services in the future.

The accreditation regime and the accreditation standards and requirements are being developed by the Royal Australian and New Zealand College of Radiologists in close consultation with the diagnostic imaging industry expected to implement them. I am happy with the progress being made. The government is giving these parties every assistance and cooperation in that task, which is intended to have a working accreditation scheme in place by 1 July next year. I commend the bill to the House.

Debate (on motion by Mr Edwards) adjourned.

Second Reading

Mr ABBOTT (Warringah—Minister for Health and Ageing) (9.09 am)—I move:

That this bill be now read a second time.

I am very pleased to introduce the Health Insurance Amendment (Inappropriate and Prohibited Practices and Other Measures) Bill 2007, which amends provisions of the Health Insurance Act 1973 relating to pathology and diagnostic imaging services provided under Medicare. These reforms, which were foreshadowed in May 2006, will enable the government to deliver on its commitment to strengthen Medicare.

The government is firmly committed to ensuring that all Australians have access to affordable world-class health care. Since coming to office in 1996, the Howard government has worked consistently to ensure that vital services are accessible and affordable, with as little out-of-pocket expense as possible for the Australian taxpayer. The government is also committed to ensuring that these services remain financially sustainable.

This bill will ensure that patients’ access to pathology and diagnostic imaging services is not clouded by considerations other than clinical need. Not only does this bill strengthen Medicare but it also allows the government to deliver on its commitment to act on the recommendations of the Phillips Fox review of the pathology enforcement and offence provisions of the act.

Pathology and diagnostic imaging services play a critical role in health care. They also account for a significant amount of taxpayer funded outlays from the national health care budget. In 2005-06, 83 million Medicare funded pathology services were performed, with approximately 10 million Australians accessing these services. During the same period, approximately 15 million Medicare funded diagnostic imaging services such as...
X-rays, ultrasound, CT and MRI were performed, benefiting more than 6½ million Australians. This equates to expenditure in excess of $3.2 billion, representing approximately 30 per cent of total Medicare outlays in 2005-06.

The government has committed approximately $15 billion over five years for pathology and diagnostic imaging services through collaborative agreements with the pathology and diagnostic imaging professions and industries. The government works closely with a wide range of stakeholders to ensure that this significant investment is applied wisely.

Claims have been made that a minority of providers, particularly within the pathology industry, make payments or other considerations so that practitioners will refer patients to them. This can lead to ordering excess services that may not be clinically necessary. Also, some medical practitioners are alleged to have demanded payments or other benefits in return for directing their patients to a particular provider.

I have no reason to think that these unethical practices are widespread. Certainly, if and when they occur, they are not consistent with a doctor’s responsibility to make all clinical decisions in the best interests of patients. They also undermine the integrity of the agreements between the government and the pathology and diagnostic industry sectors and are of concern to the government, to the professions and to industry.

The act currently establishes a range of provisions addressing overservicing and prohibited practices. These provisions aim to prevent payments for pathology and diagnostic imaging services that do not provide a benefit to patients. However, they have been problematic to interpret and apply because they are expressed very broadly and their scope is unclear.

The government acknowledges the health sector’s concerns about the lack of clarity in the act and the potential for many providers to suffer commercial loss because they comply with the spirit of the legislation while their competitors do not.

This bill amends the act to express more clearly the government’s intention to prevent inducements between providers and requesters of services, and to extend the application of provisions to create an enforcement framework that can be more effectively applied.

The majority of the amendments are designed to clarify and strengthen the existing provisions. The amendments have three main aims.

Firstly, to prohibit certain practices relating to the rendering of pathology and diagnostic imaging services, including to prohibit inducements between requesters and providers of those services;

Secondly, to prevent payments for pathology and diagnostic imaging services that do not benefit patients; and

Thirdly, to encourage fair competition between providers of those services on the basis of quality of services provided and cost to patients.

The amendments also create an expanded range of penalties that are relevant to the scale of the offence.

These reforms are proposed to take effect from 1 March 2008.

Currently, section 129AA of the Health Insurance Act sets out offences for offering or accepting inducements to encourage referrals for pathology services. Section 129AA is supplemented by section 129AAA, which describes prohibited practices relating to the provision of pathology services.
Similar provisions are included in section 23DZG in relation to prohibited diagnostic imaging practices.

The bill repeals these sections and replaces them with a new part which sets out new prohibitions relating to both pathology and diagnostic imaging services.

The revised provisions define those commercial relationships that are permitted between those who can request Medicare funded pathology and diagnostic imaging services and those who provide the services. For example, it would be permitted for a provider to lease premises from a requester, provided that the amount of rent paid aligns with the market value of those premises. It would not be permitted for commercial transactions between requesters and providers to be linked in any way to the number type of value of the services requested. The provisions prohibit both requesters and providers from being involved in non-permitted transactions, including those that are channelled through third parties.

The provisions include civil penalties where pathology or diagnostic imaging providers offer or provide non-permitted benefits or make threats to requesters. The bill also prohibits requesters from asking for or accepting non-permitted benefits from providers.

Providers and requesters will also be held liable when non-permitted benefits are asked for, offered or exchanged, or threats are made by someone connected to them. Relationships that would be covered will include relatives, partnerships and other close financial relationships.

The prohibitions are supported by penalties of up to $66,000 against individual requesters or providers, or $660,000 for corporations.

Similar exchanges of benefits or threats, where it can be shown that the person intended to induce the requester to request services from a particular provider, or where a requester intended to be induced, will represent a criminal offence subject to a fine of up to $33,000, $165,000 for corporations, and/or a maximum penalty of five years imprisonment. These penalties indicate the seriousness with which the government regards such behaviour.

The bill also makes minor technical amendments to the act to address changes which have occurred within the pathology industry since the existing provisions were drafted. In general, the intent of these changes is to clarify the policy intent of the legislation and to enable more efficient and effective implementation of that intent.

As I noted earlier, subject to the agreement of parliament, these reforms will take effect from 1 March 2008. This will allow all stakeholders to familiarise themselves with the changes and aid a smooth transition.

Before then, the government will develop regulations to support the legislation. The regulations will provide comprehensive details about specific elements of the reforms. It is important that we get these right. We will work closely with our stakeholders during the development of the regulations to ensure that they are tailored to suit the different needs of the diagnostic imaging and pathology sectors respectively and do not produce any unintended consequences. We will also consult widely to ensure that the changes are well understood by those who may be affected.

The government is confident that these changes will ensure that the small number of requestors and providers of diagnostic services who currently engage in inappropriate practices will do so or be subject to significant penalties. If there is any evidence that the provisions are not effectively addressing such activities, the government will certainly
look at this in consultation with stakeholders. Further criminal offences or civil penalty provisions could of course only be added by the passage of additional legislation.

The government is also conscious that there may be other factors contributing to overservicing or inappropriate referral of pathology and diagnostic imaging services that cannot be addressed in this legislation but will be considered separately.

Goodwill and cooperation between the government, the professions and industry is one of the best means to ensure that Australians get value for money and quality of care. Legislation is the framework that supports this shared vision by setting the proper boundaries. The time the government has taken to develop the reforms and to consult extensively with all concerned parties has paid dividends. The bill before us has been carefully drafted to ensure that it encourages competition on the basis of quality and cost and has no negative effect on consumers or those who are assisting them to obtain the services they need and are entitled to.

I would like to thank our stakeholders for their part in developing legislation to resolve these difficult issues. I would also like to thank them for their commitment to ensuring patients receive value for money and that the collaborative agreements between the government and the professions are not undermined by the few who engage in inappropriate practices. The government looks forward to continuing this partnership to work through the regulations that support the legislation. I commend this very important bill to the House.

Debate (on motion by Mr Edwards) adjourned.

AUSTRALIAN WINE AND BRANDY CORPORATION AMENDMENT BILL (No. 1) 2007
First Reading

Bill and explanatory memorandum presented by Mr McGauran.

Bill read a first time.

Second Reading

Mr McGauran (Gippsland—Minister for Agriculture, Fisheries and Forestry) (9.18 am)—I move:

That this bill be now read a second time.

The Australian Wine and Brandy Corporation Amendment Bill (No. 1) 2007 (the bill) amends the Australian Wine and Brandy Corporation Act 1980 (the act) to implement the outcome of the assessment of the Australian Wine and Brandy Corporation against the Uhrig review templates.

The Australian Wine and Brandy Corporation (AWBC) is an Australian government statutory authority established to provide strategic support to the Australian wine industry with its core functions being export regulation and promotion of Australian wine.

The amendments will provide for the corporation to come into line with the Uhrig review recommendations. The objective of the Uhrig review was to identify issues surrounding existing governance arrangements and to provide options for government to improve the performance of statutory authorities and office holders, and improve their accountability frameworks.

My department carried out an assessment of the corporation against the Uhrig review findings and concluded that a board is the best and most appropriate management structure for the corporation. The assessment recommended a small number of changes to bring the corporation into line with the Uhrig review recommendations.
The assessment concluded that the current practice of appointing a government member, typically a public servant, on the corporation’s board should be discontinued. Given the abolition of the specific government member position, the assessment found that the skills set for board member selection should be expanded to include expertise in public administration. The bill before the parliament implements these recommendations which flow from the Uhrig report.

This decision will also address the potential for a conflict of interest for serving public servants. There will no longer be a potential conflict between their responsibilities to the government and parliament and as a board member to the corporation.

The bill also includes a provision for the corporation’s selection committee to provide me as minister with an annual report on its operations. It is proposed that the committee commence reporting for the 2007-08 financial year and continue in subsequent years. This provision strengthens the governance arrangements and transparency of the Australian Wine and Brandy Corporation’s operations. I commend the bill to the House.

Debate (on motion by Mr Edwards) adjourned.

FORESTRY MARKETING AND RESEARCH AND DEVELOPMENT SERVICES BILL 2007

First Reading

Bill and explanatory memorandum presented by Mr McGauran.

Bill read a first time.

Second Reading

Mr McGauran (Gippsland—Minister for Agriculture, Fisheries and Forestry) (9.22 am)—I move:

That this bill be now read a second time.
manager levy and to bring the hardwood sawlog levy in line with the current softwood sawlog levy. The existing import charge imposed on logs and certain classes of primary processed forest products imported into Australia will also now be eligible for Commonwealth government matching funding when spent on eligible research and development expenditure by the industry services body.

The new company will also receive equivalent contract payments from state and territory forest growers, which will be eligible for matching funding by the Commonwealth government when spent on eligible research and development, which is not currently the case. This arrangement assures equity between private and government owned forest growers.

One important new activity of the new entity will be to promote the sustainable nature of the timber industry in both domestic and international markets, by promoting wood products’ real environmental values.

This will be achieved through promotion of the inherent natural properties of wood products from managed forests, such as its recycling potential, sustainability, positive greenhouse impacts and potential to contribute to improved biodiversity as well as mitigation of environmental problems.

This legislation has the overwhelming support of the forest industry, including forest growers, wood processors and timber importers. It establishes arrangements for the continued funding of the new entity and so assists in providing certainty for R&D and marketing and promotional activities into the future.

The government’s intention in introducing this bill is to strengthen the forest industries capacity to maintain its competitiveness through ongoing research and development and adoption of innovative practices, as well as to enable the provision of industry-wide marketing and promotional programs. The bill and the associated regulations regarding the levies and charges will enable the new industry services body to generate additional revenue for these activities. The government’s intention is to ensure that funding for R&D is maintained at the current levels, as a minimum, under the new arrangements.

The bill is a demonstration of the partnership approach to forestry matters between the government and industry. It will further help maintain the competitiveness of Australia’s forest industries through the development of an enhanced industry led by R&D, marketing and promotional company.

Debate (on motion by Mr Edwards) adjourned.

FORESTRY MARKETING AND RESEARCH AND DEVELOPMENT SERVICES (TRANSITIONAL AND CONSEQUENTIAL PROVISIONS) BILL 2007

First Reading

Bill and explanatory memorandum presented by Mr McGauran.

Bill read a first time.

Second Reading

Mr McGauran (Gippsland—Minister for Agriculture, Fisheries and Forestry) (9.27 am)—I move:

That this bill be now read a second time.

The Forestry Marketing and Research and Development Services (Transitional and Consequential Provisions) Bill 2007 (the bill) facilitates the transition envisaged in the Forestry Marketing and Research and Development Services Bill 2007 of the current government owned Forest and Wood Products Research and Development Corporation (the corporation) to a new industry owned services body.
The government and the forest industry have identified the need for the current corporation to be replaced by a new industry services body to enhance the involvement of industry in their future development and to enable industry-wide marketing and promotional activities to be undertaken.

The new industry services body will continue to develop the competitiveness of Australia’s forest industries through the development of expanded research and development, marketing and promotional company. R&D will be jointly funded by the government and industry with marketing and promotional activities funded solely by the industry, in line with all other agricultural and fishery commodities.

The bill deals with the transitional arrangements required to enable the smooth transferral of responsibilities from the corporation to the new body. In particular, the provisions will ensure that the new organisation has staff from day one of its operations and that important ongoing existing research and development corporations can continue.

Amongst a range of administrative matters the bill facilitates the transfer of assets and liabilities of the corporation to the new body, the transfer of employees and their entitlements, and other provisions including the operation of the Archives Act and the production of corporation’s final annual report.

The bill also contains a number of consequential amendments to other legislation as a result of the cessation of the corporation and the establishment of the new body.

This legislation has overwhelming support from industry groups and producers in providing for the transition from the corporation to the new body and is a further demonstration of the partnership approach between the government and forest industry.

Debate (on motion by Mr Edwards) adjourned.
two child support acts interact are being addressed, and consequential amendments are being made to taxation legislation.

A refinement is being made to the new formula to make sure the assessment of child support is more appropriate in certain cases in which the children are in different households. The basis of some of the provisions dealing with child support agreements between parents is being strengthened. Remote area allowance under the social security and veterans’ entitlements legislation is being extended so parents with regular care of a child (that is, care of between 14 and 35 per cent) continue to receive the allowance after the 1 July 2008 changes to family tax benefit.

In a further child support initiative, the bill relocates many amendments from the Child Support Legislation Amendment Bill 2004. That bill, which will now no longer be needed, was introduced in late 2004. However, there were many worthy measures in that bill and, now the task force reforms have been enacted, the 2004 measures still required in light of the task force reforms can move ahead.

Among the measures from the 2004 bill are amendments to move into the primary child support legislation certain provisions currently contained in regulations. These allow Australia to meet its international obligations to certain other countries in assessing and enforcing child support liabilities across jurisdictions. Mostly, the provisions are simply being relocated from the regulations. However, after some years of experience with the provisions, the opportunity is also being taken to refine some aspects of the provisions.

The 2004 bill measures also include several amendments to improve equity between the two parties to a child support case in access to court for review of any decision about whether one of the parties is a parent of the child in question. Some minor streamlining refinements are also being made to the internal review system for child support decisions generally.

The last of the 2004 bill measures are of a minor policy or technical nature, and are generally to address anomalies in the current system or improve aspects of child support administration. For example, the requirement to give information about an administrative assessment to both parents affected by the assessment is being rationalised to make sure only necessary information is given in each case, while still making sure each parent has enough information to explain fully the basis for the assessment.

This new bill also includes several family assistance amendments, some of them associated with the child support reforms. For example, the maintenance income test provisions for family tax benefit are being refined. This is partly to reflect the new treatment under the child support reforms of child support agreements and lump sum child support. Refinements are also made to certain elements of the formula used to work out the notional amount of maintenance income an individual is taken to have received under a child support agreement or court order where there is an underpayment of child support registered for collection by the Child Support Agency. It is also being clarified that maintenance income received by a payee for one or more children would reduce the payee’s amount of family tax benefit part A above the base rate for those children only.

Separate amendments to the baby bonus provisions will ensure that under-18-year-old claimants are paid the baby bonus in 13 instalments rather than in a lump sum, will introduce registration of birth as a condition of eligibility for the baby bonus, and will formally rename the payment from ‘mater-
nity payment’ to ‘baby bonus’ in line with most people’s understanding.

Under this bill, the usual 13-week period for full payment of family tax benefit while temporarily outside Australia will be extended for members of the Australian Defence Force and certain Australian Federal Police personnel of the International Deployment Group, who are deployed overseas as part of their duties and, as a result, remain overseas for longer than 13 weeks.

The bill will extend the asset test exemption of principal home sale proceeds from 12 months to up to 24 months. The change will assist people who cannot purchase or build a new home within 12 months due to factors beyond their control. The bill will also extend the current 12 months principal home temporary absence rules for absences of up to 24 months for people who have suffered loss of or damage to their homes due to a disaster. Cyclone Larry has shown that a year may not be long enough where the rebuilding efforts of a disaster affected community are stretched.

Lastly, the bill will make minor refinements to the operation of the income streams provisions of the social security and veterans means test.

Debate (on motion by Mr Edwards) adjourned.

BUILDING AND CONSTRUCTION INDUSTRY IMPROVEMENT AMENDMENT (OHS) BILL 2007

First Reading

Bill and explanatory memorandum presented by Dr Stone, for Mr Hockey.

Bill read a first time.

Second Reading

Dr STONE (Murray—Minister for Workforce Participation) (9.36 am)—I move:

That this bill be now read a second time.

The Building and Construction Industry Improvement Amendment (OHS) Bill 2007 reinforces the government’s commitment to improving the occupational health and safety performance of the building and construction industry.

In 2002-03, when Commissioner Cole reported on the Royal Commission into the Building and Construction Industry, the industry was one of the most dangerous to work in. There were 37 compensated fatalities in the industry, which comprised almost one-fifth (18 per cent) of all compensated workplace fatalities for the year. The industry also had the third highest incidence of workplace injuries with more than 12,500 compensated injuries, or 34 injuries per day.

Commissioner Cole concluded that improvements in OHS performance must be brought about through cultural and behavioural change. As a major client and provider of capital to the construction industry, the Australian government is well positioned to drive such change.

The government has wholly committed itself to this role through the enactment of the Building and Construction Industry Improvement Act 2005 (the act) and by establishing the Federal Safety Commissioner. Through the Commissioner’s work, this government is fostering a culture where work must be performed safely as well as on budget and on time.

Under the act the Federal Safety Commissioner is tasked with promoting improved OHS in the construction industry and administering the Australian Government Building and Construction OHS Accreditation Scheme (the scheme).

The scheme has proven to be a major development in OHS for the construction industry. The scheme ensures that only head contractors who have effective OHS management policies and systems in place can
contract to undertake building work for the Australian government. This government does not want to do business with builders who do not take health and safety seriously.

Since the scheme commenced on 1 March 2006, 64 builders have achieved scheme accreditation and more than 170 safety audits have been conducted. Additionally, 23 new government construction projects, worth $1.44 billion, are covered by the scheme.

In his recommendations Commissioner Cole also noted that the government has an opportunity to further improve OHS in the industry by utilising its influence as a provider of funding to state and territory governments and private industry. The government agreed to take full advantage of this opportunity by implementing a second stage of the scheme in 2007. This bill will fulfil the government’s commitment to this approach by facilitating the application of the scheme to builders contracting to undertaking building work on projects where the government has contributed significant funding.

In keeping with the intent of the scheme to only apply to builders who actually perform building work, this bill will enable the exclusion of contractors on construction projects who do not perform building work. This includes contractors who provide support and pre-construction services such as project management and environmental assessments.

The bill will also clarify the intent of the scheme that accredited builders remain accredited while undertaking building work covered by the scheme.

To assist the Federal Safety Commissioner in effectively administering the scheme the bill will also simplify the process for engaging federal safety officers, who undertake audits of builders to assess their initial and ongoing eligibility for accreditation.

To further assist the Federal Safety Commissioner to promote health and safety in the construction industry the bill will allow the commissioner, and persons working in the commissioner’s office, to disclose information under certain circumstances on the OHS performance of accredited contractors to the minister.

Occupational health and safety is a significant issue for all of us. It affects us, our families and our friends. The construction industry has traditionally been a poor performer in the area of health and safety. This government has taken the opportunity provided it to change this.

I commend the bill to the House.

Debate (on motion by Mr Edwards) adjourned.

INTERNATIONAL TAX AGREEMENTS AMENDMENT BILL (No. 1) 2007

First Reading

Bill and explanatory memorandum presented by Mr Dutton.

Bill read a first time.

Second Reading

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (9.41 am)—I move:

That this bill be now read a second time.

The International Tax Agreements Amendment Bill (No. 1) 2007 will give the force of law to renegotiated tax treaties with France and Norway. This is a prerequisite to their entry into force. This bill inserts the text of the convention between Australia and France and the convention between Australia and Norway into the International Tax Agreements Act 1953.

The bill repeals the schedules to the International Tax Agreements Act 1953 that give the force of law to the existing tax treaties with France and Norway and the separate airline profits agreement with France, which deals with taxation of airline profits. The
repeal of these schedules is subject to transitional rules in respect of assessments of tax relating to the years in which the existing agreements were in effect.

The conventions between Australia and France and Australia and Norway were signed on 20 June 2006 and 18 August 2006 respectively.

Details of the treaties were announced and copies were made publicly available following signature. The treaties have also been tabled in both houses of parliament and have been reviewed by the Joint Standing Committee on Treaties.

The conventions will further strengthen the economic relations between Australia and the two treaty partners. The conventions serve as another step in facilitating a competitive and modern tax treaty network for companies located in Australia. The conventions will also satisfy Australia’s most favoured nation obligations under the existing treaties with France and Norway.

Both conventions will substantially reduce withholding taxes on certain dividend, interest and royalty payments in line with those provided in our tax treaties with the United Kingdom of Great Britain and Northern Ireland and the United States of America. This will provide long-term benefits for business, making it cheaper for Australian-based business to obtain intellectual property, equity and finance for expansion.

The conventions will assist trade and investment flows between Australia and France and Australia and Norway. The treaties further demonstrate the government’s commitment to update ageing treaties with major trading partners as recommended by the Review of Business Taxation and the Review of International Tax Arrangements. The treaties will produce a positive economic outcome for Australia. Gains include a larger and faster-growing Australian economy with flow-on effects on employment, trade and investment.

The new conventions achieve a balance of outcomes that will provide Australia with a competitive tax framework for international trade and investment, while ensuring the Australian revenue base is sustainable and suitably protected.

Both conventions facilitate improved integrity aspects of administering and collecting tax from those with tax obligations in either or both jurisdictions. The conventions reflect the government’s decision to incorporate enhanced information exchange provisions which meet modern OECD standards and to provide for reciprocal assistance in collection of tax debts.

The government believes that the conclusion of the conventions will strengthen the integrity of Australia’s tax treaty network through bilateral cooperation between countries to help ensure all taxpayers pay their fair share of tax.

Both conventions will enter into force after completion of the necessary processes in both countries and will have effect in accordance with their terms. The enactment of this bill, and the satisfaction of the other procedures relating to proposed treaty actions, will complete the processes followed in Australia for those purposes.

Full details of the amendments are contained in the explanatory memorandum. I commend this bill to the House.

Debate (on motion by Mr Edwards) adjourned.

TAX LAWS AMENDMENT (2007 MEASURES No. 2) BILL 2007
First Reading

Bill and explanatory memorandum presented by Mr Dutton.

Bill read a first time.
Second Reading

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (9.45 am)—I move:

That this bill be now read a second time.

The Tax Laws Amendment (2007 Measures No. 2) Bill 2007 implements a number of changes and improvements to Australia’s taxation system.

Schedule 1 to this bill contains technical corrections and amendments to the uniform capital allowances system to more closely align the decline in value deductions for mining, quarrying and prospecting rights with other depreciating assets.

This measure will ensure that the provisions in the tax law for these rights operate as the government intended.

Schedule 2 to this bill will improve the fairness of the taxation rules that apply to income earned from certain boating activities, while ensuring that the tax system cannot be used to subsidise the private use of boats.

The current law generally denies income tax deductions for expenses incurred in holding or using a boat, other than expenses incurred by specified types of boating business, such as a ferry service. However, the current law still taxes all boating income.

The measures in schedule 2 to this bill implement the government’s decision to allow taxpayers to deduct expenses denied under the current rules, up to the amount of boating income earned. Excess deductions will be able to be carried forward and deducted against boating income in future years. GST input tax credits may also be available for these expenses, provided the requirements in the GST law are met.

Schedule 3 to this bill ensures the law reflects the government’s original policy intent for the refundable research and development (or R&D) tax offset for small and medium businesses. It also ensures the law reflects the government’s intent with regard to the 175 per cent premium incremental concession for additional labour-related expenditure on R&D.

These amendments will improve the operation of the R&D tax offset by extending the time companies have to choose the offset. They will also allow companies to object to decisions made by the Commissioner of Taxation, regarding the allowable amount of the offset.

The amendments ensure that the existing exception to the minimum expenditure of $20,000 for contracted expenditure to a registered research agency, applies to both R&D tax deductions and the R&D tax offset. The amendments also ensure that all companies in a group are covered by the R&D tax offset provisions.

These amendments will improve the operation of the 175 per cent premium incremental concession by ensuring that a premium deduction amount can be allocated to all companies in a group that have increased R&D expenditure over their three year average.

Schedule 4 gives effect to the government’s announcement in the 2006-07 budget to extend the gift provisions to promote philanthropic giving by allowing taxpayers to claim a tax deduction for the donation of certain publicly listed shares to deductible gift recipients.

Schedule 5 will amend the list of deductible gift recipients in the tax legislation. Deductible gift recipient status will assist the listed organisations to attract public support for their activities.

Schedule 6 to this bill amends the tax legislation by extending the eligibility for tax deductions for contributions to deductible gift recipients, where an associated minor
benefit is received with an eligible fundrais-
ing event.

The improvements to the taxation de-
ductibility provisions provide further support
to encourage philanthropy in the community,
and the government is very proud to support
those activities.

Schedule 7 makes technical corrections
and amendments to the income tax law re-
lated to exempt entities. It will ensure public
ancillary funds and prescribed private funds
do not lose their income tax exempt status
when they distribute money to Common-
wealth, state or territory bodies which are
exempt from tax and are also deductible gift
recipients. Examples of such bodies are the
National Gallery of Victoria and the Sydney
Opera House.

Schedule 8 amends the venture capital re-

gime in the tax law. These amendments relax
the eligibility requirements for foreign resi-
dents investing in venture capital limited
partnerships and Australian venture capital
funds of funds. They also introduce a new set
of taxation concessions for Australian resi-
dents and foreign residents investing in early
stage venture capital activities. This is
achieved through a new investment vehicle
called an early stage venture capital limited
partnership.

Changes to the venture capital regime
were announced in the 2006-07 budget as a
package of measures aimed at increasing
activity in the venture capital sector. This
measure addresses key findings of a review
into Australia’s venture capital industry. It
further demonstrates the government’s ongo-
going support for new business ventures and
the promotion of industry innovation.

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

Debate (on motion by Mr Edwards) ad-
journed.

CORPORATIONS (NZ CLOSER
ECONOMIC RELATIONS) AND
OTHER LEGISLATION AMENDMENT
BILL 2007

First Reading

Bill and explanatory memorandum pre-
sented by Mr Pearce.

Bill read a first time.

Second Reading

Mr PEARCE (Aston—Parliamentary
Secretary to the Treasurer) (9.51 am)—I
move:

That this bill be now read a second time.

Today I introduce the Corporations (NZ
Closer Economic Relations) and Other Leg-
islation Amendment Bill 2007, which will
amend the Corporations Act 2001 to further
support initiatives that build closer economic
relations between Australia and New Zea-
land, with the possibility of extending these
types of relations to other countries.

The bill also makes important amend-
ments to enable the Australian Competition
and Consumer Commission to exchange cer-
tain information with domestic and interna-
tional regulators.

The initiatives embodied in the bill are
consistent with the Australia-New Zealand
Closer Economic Relations Trade Agree-
ment, which has shaped economic and trade
relations between our two countries since
1983. They also further the work program
attached to the Memorandum of Understanding
on the Coordination of Business Law
between Australia and New Zealand.

Importantly, the bill includes four key
measures to implement closer economic rela-
tions and reduce duplication in regulatory
compliance.

Firstly, the bill establishes a mutual rec-
ognition regime for the issue of securities
and interests in managed investment
schemes. This implements the agreement reached in a treaty between Australia and New Zealand on securities offerings.

Currently, if a New Zealand entity seeks to issue securities to investors in Australia and New Zealand, it must comply with two substantive regulatory regimes—the requirements of the home (New Zealand) regime and the Australian Corporations Act, unless an exemption applies.

Because this duplication imposes additional costs on entities, often securities offers are not extended to Australian investors, which reduces investors’ choice.

The bill will allow a New Zealand entity to offer securities in Australia and New Zealand, based largely on compliance with New Zealand fundraising laws. Mutual recognition means that Australian entities will be able to offer securities in New Zealand under reciprocal simpler regulatory arrangements.

There is a role for the regulators of both countries in the regime. The Australian Securities and Investments Commission (ASIC) will have primary responsibility for taking action against New Zealand issuers who breach the requirements of the regime, which they have opted into in Australia. Further, the New Zealand regulator will have primary responsibility for supervising a cross-border offer into Australia.

Critically, if a New Zealand entity breaches the requirements of the regulatory regime, ASIC will have the power to stop the offer, prohibit advertisements in Australia and ban the fundraiser from making future offers.

There are also criminal penalties for breaches of the regulatory requirements.

The bill will continue to protect investors by ensuring that they receive the information they need to make informed investment decisions. In this context, the regime will apply to fundraising only, and not to the provision of financial advice.

In the case of breaches of laws relating to fundraising activities, investor remedies will be available in the courts of either jurisdiction.

Overall, the regulatory regime is designed to facilitate investment, enhance competition and of course provide greater investor choice.

The second element of the bill provides for the mutual recognition of companies. The bill will exempt entities from those countries specified in the regulations from being required to lodge particular information or documents with ASIC if that same material is lodged with an equivalent authority in that country.

The bill will not remove the requirement for entities to register with ASIC to operate in Australia. However, this initiative will reduce the administrative burden of registration and ongoing lodging requirements. The bill will thereby reduce duplication in information that is currently lodged with both ASIC and foreign regulators, which in the first instance will be the equivalent New Zealand regulator.

New Zealand recently enacted reciprocal arrangements to give the New Zealand regulator the power to make similar exemptions in relation to Australian companies that operate in New Zealand.

Relevant information will continue to be accessible as both ASIC and the New Zealand regulators are able to share information in this context.

Thirdly, the bill will enhance the Australian Competition and Consumer Commission’s (ACCC’s) ability to share information with others, including the New Zealand Commerce Commission. The ACCC is currently limited in its ability to share informa-
tion with others, including its counterpart regulators.

This initiative will place the ACCC in a similar position to that of ASIC with respect to information sharing. Section 127 of the Australian Securities and Investments Commission Act 2001 provides for the appropriate disclosure of information by ASIC to Australian, and foreign, governments and agencies, including regulators. Similarly, this initiative will now enable the ACCC to share information with governments and other agencies, where that information will enable or assist them in performing or exercising their functions or powers.

This initiative will greatly assist the ACCC and other bodies to efficiently and effectively enforce the law. It will also assist in reducing the regulatory burden on business by enhancing cooperation and coordination between these important agencies.

The fourth initiative in the bill will provide for the protection of certain information given, or obtained, by the ACCC, including from a foreign government body. Importantly, the bill will not allow an ACCC official to disclose protected information, except in the performance of their duties or functions or as otherwise permitted by law.

The ACCC information-sharing initiatives implement recommendations made in the 2004 Productivity Commission (PC) Research Report entitled Australian and New Zealand competition and consumer protection regimes. This report recommended that the Trade Practices Act of 1974, and corresponding legislation in New Zealand, should be amended to allow the ACCC and the New Zealand Commerce Commission to exchange information obtained through their information gathering powers. The bill will also implement the recommended safeguards to ensure against the unauthorised use and disclosure of confidential or protected information.

Clearly this bill will foster better and enhanced cooperation between Australia and New Zealand. Its measures are deregulatory in nature, whilst preserving important consumer protections. In this way, the bill can only help facilitate better economic outcomes for the benefit of all Australians.

I commend the bill to the House.

Debate (on motion by Mr Edwards) adjourned.

COMMITTEES

Public Works Committee

Reference

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Defence) (9.59 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Proposed fitout of new leased premises for the Australian Customs Service, Brisbane, Qld.

The Australian Customs Service is seeking to relocate from its existing Brisbane headquarters building shortly before the end of its current lease, which expires on 30 June 2009. The Australian Customs Service proposes to undertake a fit-out at a cost of $15.84 million inclusive of GST of new leased premises at the Circuit, Brisbane Airport, Queensland. Subject to parliamentary approval, the design of the proposed fit-out and associated services will to the maximum extent possible be integrated with the base building design in order to minimise costs. All efforts will be made to further minimise costs by integrating the construction of the fit-out with the base building works should such opportunities exist. Subject to parliamentary approval, the building is planned to commence in October 2007, with completion
in December 2008. The fit-out procurement process could begin during the period September to November 2008. The Australian Customs Service anticipates occupying the building from January 2009 to complete the fit-out and will occupy the building progressively from May 2009. I commend this motion to the House.

Question agreed to.

Public Works Committee Reference

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Defence) (10.01 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Provision of facilities for Project Single LEAP—Phase 2.

The Department of Defence intends to deliver new single residential accommodation, associated facilities, infrastructure and services on 17 bases in all states and territories except Tasmania. I am pleased to advise the House that Lavarack Barracks in my own electorate of Herbert is also included in this particular work. The strategy being proposed by the Department of Defence is to engage a strategic partner for the delivery of financing and for planning the development, construction, maintenance and operation. The government announced funding in the 2004-05 budget for Project Single Leap, phase 1 and phase 2 inclusive, of $113.2 million over four years and then an annual allocation of approximately $60 million thereafter.

The cost of phase 2 will be determined through a competitive tender process subject to government selection of a preferred tender and parliamentary approval. The estimated outturn cost is $1.2 billion net present value and will involve a regular service payment by Defence over 30 years for buildings, infrastructure, facilities, management services, maintenance and life cycle costs. This single-soldier accommodation has been widely accepted by members of the Australian Defence Force and will be a very significant improvement to the living accommodation of our service members. Subject to parliamentary approval, construction is planned to commence in early 2009 and to be completed by 2012. I commend this motion to the House.

The DEPUTY SPEAKER (Mr Jenkins)—The chair can understand why the parliamentary secretary thinks that it is a good morning when his electorate has one of the sites. I am sure that the members who each have one of the 16 others do as well.

Question agreed to.

Public Works Committee Reference

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Defence) (10.04 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Proposed fitout of new leased premises for the Department of Health and Ageing in the Sirius Building, Woden Town Centre, ACT.

The Department of Health and Ageing proposes to undertake the fit-out of new leased premises that are being constructed on a re-developed site in the Woden Town Centre, Australian Capital Territory. The estimated total capital cost of the fit-out is $67 million, with the fit-out construction to be integrated with the base building. The proposed new building is to be located adjacent to Scarborough House—head office—at the northern end of the pedestrian precinct in the Woden Town Centre. Its close proximity to Scarborough House will strengthen links between all
areas of the department and enhance operational efficiencies.

The site will comprise the existing Sirius Building and Fisherman House sites on Furzer Street Woden. These two buildings are to be demolished and replaced by a new Sirius Building that will deliver 44,500 square metres of flexible modern office accommodation and meet the requirements of the Australian government’s policy of energy efficiency in government operations. Additional space for a privately operated 100-place childcare facility will also be included. Subject to parliamentary approval, work is proposed to commence in October this year, with practical completion of the new building scheduled for December 2009. As a result, Health expects to occupy the building in early 2010. I commend this motion to the House.

Question agreed to.

Public Works Committee
Approval of Work

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Defence) (10.06 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Redevelopment of the propellant manufacturing facility at Mulwala, NSW.

The Department of Defence proposes to redevelop the gun propellant capability of the propellant and high explosive production facility at Mulwala, New South Wales. The works now proposed are needed to overcome plant obsolescence, improve safety and meet environmental regulations. The main components comprise new nitrocellulose propellant and solvent production facilities, a new ballistics laboratory and a confined burn facility to eliminate open burning of energetic waste. The estimated outturn cost of the proposal is $338.7 million.

In its report the Public Works Committee recommended that these works should proceed, subject to the recommendations of the committee. The Department of Defence accepts and will implement those recommendations. Subject to parliamentary approval, the works will be committed by mid-2007 with the objective of having them completed by the end of 2011. On behalf of the government I would like to thank the committee for its support. I commend this motion to the House.

Question agreed to.

TAX LAWS AMENDMENT (2006 MEASURES No. 7) BILL 2006
Consideration of Senate Message
Consideration resumed from 28 March.

Senate’s amendment—

(1) Schedule 2, page 33 (line 2) to page 34 (line 17), omit the Schedule.

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (10.08 am)—I move:

That the amendment be agreed to.

This amendment removes schedule 2 from the Tax Laws Amendment (2006 Measures No. 7) Bill 2006. The interest withholding tax measure has been developed in close consultation with industry stakeholders, both before and after introduction. This is consistent with government practice that we have demonstrated time and time again.

Although consultation was undertaken before the measure was introduced into this place, further issues have now been brought to the government’s attention. The government would like to more fully consider these issues before proceeding with the measure. The government considers that the other important measures in this bill should not be
further delayed while we consider the issues in relation to a single measure. Therefore the government will remove the measure from the bill, undertake further consultation and re-introduce the measure at a later date.

Mr BOWEN (Prospect) (10.09 am)—The opposition supports this backflip from the minister. This schedule has been removed because the Labor Party referred this matter to a Senate committee. As outlined in my second reading speech, the Labor Party had real concerns that this measure would make it harder for Australian firms to raise finance for major projects overseas. Our concerns have been borne out by the Senate committee. In their submission the Australian Bankers Association said:

The ABA has grave concerns about the content of Schedule 2 of the Bill

... ... ...

For the future, the Bill will unreasonably impede access by borrowers to international debt markets ...

This supports concerns raised by me on behalf of the opposition when this bill was introduced by the minister. An inquiry was resisted by the minister. He came into the chamber and said: ‘The government cannot now agree to the referral of the bill at this late stage. The government does not want to deny business from accessing the benefits and it would not be in the best interests of the ALP to pursue their political agenda.’ But of course what the ALP had to do was step in and protect business from this minister’s incompetence. The ALP had to step in and protect business from this minister’s failure to consult.

We heard the minister again say today that there had been consultation. He again repeated that in the House. This minister has more front than Anthony Horderns. He has the gall to come in here and praise the government’s consultation process. He said in his second reading speech:

The government in fact consulted widely with a number of industry parties and stakeholders before the measure was introduced. The government also appointed an independent consultant. He went on to say:

... this government is operating its consultative process as well as we ever have.

And he repeated that today. He has more front than Anthony Horderns. He has the gall to come in here and defend his consultation. Let us have a look at some of the submissions to the inquiry. Again, the Australian Bankers Association said:

The ABA notes that a breakdown occurred in the consultation process in relation to the proposed IWT amendments. The ABA lodged submissions with Treasury in June and December 2006, but was not engaged in formal consultation until after the introduction of the Bill on 7 December 2006.

The Asia Pacific Loan Market Association said in its submission:

Unfortunately the manner in which the Bill has been introduced has caused significant uncertainty and concern in finance markets.

Thanks to this minister’s incompetence. The Australian Financial Markets Association said in its submission:

We were unaware of a problem with the current definition of debenture for the purpose of s.128F, but if there is a concern in this area it should have been properly explored through consultation.

Clearly, the minister has misled this House. When he came in here to introduce the bill he arrogantly dismissed Labor’s concerns and said, ‘You don’t understand business; we’ve consulted.’ Who did they consult with? They certainly did not consult with the banks. They certainly did not consult with the finance markets. I would like to know who they actually spoke to, because all four submissions to the Senate inquiry say, ‘We weren’t consulted.’ So the minister has been
wandering around consulting with somebody. Maybe he could enlighten the House as to who it was. It certainly was not with the people affected. It certainly was not with the people going out there raising finance for major Australian projects. It certainly was not with the people trying to attract foreign investment into Australia.

They come in here and they arrogantly say, ‘We’re the party that understands business’ when it is the Labor Party that has to step in and protect business from this minister’s incompetence, from this minister’s failure to consult with industry, from this minister’s complete ignorance of the banking industry, from this minister’s complete failure to talk to the financial markets industry about these concerns. He walks in here and says, ‘We’re not going to allow this to go to the Senate; you’re being irresponsible.’ But then the pressure is applied and he backflips once and sends it to the Senate. Then today he backflips and agrees to Labor’s amendments that schedule 2, which I said at the beginning, in the speech on the second reading, should be withdrawn, and he withdraws it. He should have done that on the day instead of grandstanding and now being forced into a backflip.

This raises a very important point. On Monday we saw the Assistant Treasurer backflip on non-forestry managed investment schemes. He said, ‘There’s been wide consultation.’ Again, the problem is that the consultation occurred after the decision. Can I give the Assistant Treasurer a little tip: consultation works best if it happens before the decision. That is how it works best: if it actually happens before the government makes a decision.

Twice in one week we have seen the Assistant Treasurer having to cover up his incompetence by doing a backflip. We welcome the backflip. We welcome the fact that he has at last come in here and accepted Labor’s position. He has finally accepted that the Labor Party were right all along. We stand ready to support a properly well thought out measure which has been consulted upon. We stand ready, as I said in the original speech on the second reading, to support the government if they come up with a proposal that protects government revenue in a sensible way which the industry has been consulted on and which can work. We will have a look at the detail when the Assistant Treasurer eventually brings this back into the House—whenever that may be—and we will support any sensible measures. *(Time expired)*

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (10.15 am)—That is an angry little man. That was a demonstration to his union mates, with the beating of his chest, to show that he is up to the task; to show that he is not just another union boss in this place but also able to carry himself well in the parliament. If that makes the shadow Assistant Treasurer feel better, I am happy to have afforded him the opportunity. If he has used the opportunity to express his self-perceived confidence to his union hack mates, that is a demonstration of what the Labor Party are about in 2007.

The Labor Party in 2007 really represent what was wrong with them back in the 1980s. They are nothing more than a party of union bosses. They are dictated to and are managed on a day-to-day basis by the union bosses in this country. They do not stand for the workers in this country. They do not stand for business in this country. They stand for themselves, because they are owned by, used by and paid for by the union bosses. So when the shadow Assistant Treasurer comes into this place beating his chest to demonstrate his wares for his union hack mates, do not be fooled into thinking that Labor have
turned the page in the way they are consulting or engaging with business in this country.

I can provide an assurance to the House and to the people of Australia that Labor have not changed. Labor have stood against every measure that this government have undertaken over the last 10 years to bring about the economic reform that has delivered the prosperity to Australian families that we are experiencing today. They have stood against the GST. They have stood against every tax measure that we have put in place. They were even against tax cuts and superannuation measures put in place over the last 12 months and in previous years. They do not have any capacity to understand what is in the economic interests of this country—and that has been demonstrated again today.

The reality is that this government have consulted like never before with the business community and stakeholders—and this is the latest demonstration. We had an opportunity not to make the changes, to drive this bill through and not to listen to some of the concerns that were raised post these arrangements, but we did not do that. We listened to the concerns that were expressed and we have acted upon them. If there is any better demonstration of the way to consult with industry in this country then it needs to be brought to our attention. We have consulted not only on this measure but also on managed investment schemes—an issue which the shadow Assistant Treasurer raised. We have consulted with the stakeholders over a period of time, both before and after the decision was made, to make sure that we could refine the decision that we made.

In relation to managed investment schemes, the shadow Assistant Treasurer came out with a position in this place, saying that he essentially supported the government’s position. While he was saying that, his counterpart in the other place was trying to hold out some sort of false hope to the industry. That was demonstration of the way Labor walk both sides of the street. You have in the other place the shadow minister for agriculture, Senator O’Brien, holding out some false hope to the industry that Labor could change and provide certainty for managed investment schemes to continue as they were, and then you have this bloke over here, the shadow Assistant Treasurer, saying, ‘No, we’re not going to do that.’ That is a demonstration of how they walk both sides of the street. That is how Labor provided uncertainty in the business community and ultimately undermined the economy when they were last in power.

If people are thinking about looking to Labor in terms of economic skills, look no further than this bloke opposite, the shadow Assistant Treasurer. They do not have the capacity to run a trillion-dollar Australian economy. They do not have the capacity to engage with stakeholders. They have one thing on their mind, and that is looking after the interests of their union bosses—those who have put them in this place—and to look after their own interests. They have no interest in driving an Australian economy into the 21st century from success to success, as this government is very proud to have done. There is much work that continues to be done. We remain committed to it. That is why we have moved to support the Senate amendment today. Labor are still a great threat to the Australian community.

Mr Bowen (Prospect) (10.20 pm)—What an extraordinary contribution from the Assistant Treasurer. I did not realise that the Australian Bankers Association was a trade union. It must have registered overnight with the Industrial Relations Commission. I did not realise that the Asia Pacific Loan Market Association was an affiliate of the ACTU. I did not know—I confess my ignorance—that the Australian Financial Markets Association
was a socialist organisation. The Assistant Treasurer came in here and accused me of being a union boss. That is a major promotion. He also accused me of toeing the line of the ACTU, when what Labor have done is intervene to protect Australian business from his incompetence and his failure to talk to business about these changes before he introduced them. I refer to the submission of the Australian Bankers Association, in which it said:

The ABA has grave concerns about the content of Schedule 2 of the Bill, which contains proposed amendments to the interest withholding tax.

It holds grave concerns. The Asia Pacific Loan Market Association said in its submission:

Unfortunately the manner in which this Bill has been introduced—by this minister—has caused significant uncertainty and concern in finance markets.

It is this minister who is causing significant concern in Australia’s finance markets. It is this minister who does not understand the ramifications of what he has come into this House and moved. Now, in an embarrassing backflip, he has had to come in here and withdraw. I remind the minister that in my reply to him in the second reading debate I called on him to withdraw this schedule for further consultation. He arrogantly walked in here and said, ‘The Labor Party doesn’t understand business. It only listens to trade unions.’ No, we listen to business. We listen to a little organisation called the Australian Bankers Association. We listen to the other bodies that represent Australian financiers who are trying to raise money for infrastructure projects and other major projects throughout this country, who say, ‘This will make our job a lot harder.’ They say, ‘This will make it harder to get investment in infrastructure in this country.’ That is over and above this minister’s incompetence in failing to come into the House and move changes to section 51AD and division 16D of the tax act. This minister has yet to do that, and he is trying to make it harder by making these withholding tax changes—over and above his failure to improve the situation by changing 51AD and 16D of the tax act.

You know that the Assistant Treasurer is really desperate when he comes in here, gets his Crosby Textor folder out and starts talking about the Labor Party being influenced by trade unions and under the control of trade unions on this bill. He is really desperate when he comes and here and says, ‘It’s terrible, you know. The shadow Assistant Treasurer is listening to the ABA—that well-known socialist organisation the Australian Bankers Association’—

Mr Griffin—Commos!

Mr BOWEN—The coms, as the member for Bruce says. You know this minister is really desperate. He is trying to cover his own incompetence and his backflip. I have to hand it to the Assistant Treasurer—he does get points from me—he has got gall. He has got front. He has got more front than Anthony Horderns, as we say in Sydney. He comes in here and tries to protect his reputation by saying that the Labor Party is under the thumb of the ACTU. I would be very surprised if the ACTU has a position on the withholding tax treatment of debentures in this country. I would be very surprised if the ACTU congress has spent a lot of time thinking about this.

I see the member for Moncrieff having a chuckle up the back. Well he might, because he would probably make a very good assistant treasurer—in comparison with this one. If we have to put up with a Liberal assistant treasurer for this nation, the member for Moncrieff might do a better job than this one. He might at least go out and consult
with industry. The member for Moncrieff used to work in the finance industry. He might at least understand that these changes have dire ramifications and that they should not have been brought in here without consultation. They should not have been brought in here without first going to the banks and financiers and asking: ‘How do you think this will affect Australian industries’ chances of raising finance overseas? How do you think this will impact on our ability to build infrastructure in this nation? How do you think it will impact on our ability to attract foreign investment into this nation?’ These are all things that this government parades around the boardrooms of this country, with its rhetoric, and says it is in favour of, but it does nothing about.

The Treasurer of this nation and his sidekick, the Assistant Treasurer, have a reputation in industry of failing to consult. This has been shown yet again in today’s legislation. (Time expired)

Question agreed to.

SAFETY, REHABILITATION AND COMPENSATION AND OTHER LEGISLATION AMENDMENT BILL 2006

Consideration of Senate Message

Consideration resumed from 28 March.

Senate’s amendments—

(1) Clause 2, page 2 (table item 9), omit “Schedule 2”; substitute “Schedules 2 and 3”.

(2) Schedule 1, item 12, page 7 (after line 26), after paragraph 6(1)(e), insert:

(ea) while the employee was travelling between the employee’s place of work and a place of education for the purpose of attending that place in accordance with:

(i) a condition of the employee’s employment by the Commonwealth or a licensee; or

(ii) a request or direction of the Commonwealth or a licensee; or

(iii) the approval of the Commonwealth or a licensee; or

(3) Schedule 1, item 12, page 8 (line 7), omit “place.”, substitute “place; or”.

(4) Schedule 1, item 12, page 8 (after line 7), after paragraph 6(1)(f), insert:

(g) while the employee was travelling between the employee’s place of work and another place for the purpose of:

(i) obtaining a medical certificate for the purposes of this Act; or

(ii) receiving medical treatment for an injury; or

(iii) undergoing a rehabilitation program provided under this Act; or

(iv) undergoing a medical examination or rehabilitation assessment in accordance with a requirement made under this Act.

(5) Schedule 1, page 14 (after line 9), after item 31, insert:

31A After paragraph 69(fa) Insert:

(fb) such other functions as are conferred on Comcare by the regulations;

(6) Schedule 1, item 47, page 17 (lines 25 and 26), omit “starting on the day after this Act receives the Royal Assent”, substitute “starting on the day on which item 24 of this Schedule commences”.

(7) Page 22 (after line 2), at the end of the bill, add:

Schedule 3—Amendments relating to occupational health and safety

Occupational Health and Safety Act 1991

1 After section 23

Insert:

23A Unlicensed operation of major hazard facility
(1) A person must not operate a major hazard facility if:
   
   a) the person is required by the regulations to have a licence to operate the facility; and
   
   b) the person does not have such a licence.

Note: A person who contravenes this provision may be subject to civil action (see Schedule 2).

(2) For the purposes of subsection (1), a major hazard facility means a facility that is a major hazard facility within the meaning of the regulations.

2 Schedule 2 (heading)
Repeal the heading, substitute:

Schedule 2—Civil and criminal proceedings

3 After paragraph 2(1)(f) of Schedule 2
   Insert:
   
   (fa) section 23A (unlicensed operation of major hazard facilities);

4 At the end of subclause 2(1) of Schedule 2 (before the note)
   Add:
   
   ; (o) a provision of the regulations specified in the regulations to be a civil penalty provision.

5 Paragraph 2(3)(c) of Schedule 2
   Repeal the paragraph, substitute:
   
   (c) any provision that the person who contravened that subclause breached or was involved in breaching;

6 Subclause 4(2) of Schedule 2 (after table item 7)
   Insert:
   
   2,200 penalty units

7 Subclause 4(2) of Schedule 2 (at the end of the table)
   Add:

Dr STONE (Murray—Minister for Workforce Participation) (10.26 am)—I move:
That the amendments be agreed to.

The Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2006 amends the Safety Rehabilitation and Compensation Act 1988—the SRC Act—primarily to maintain the integrity of the Commonwealth workers compensation scheme and to facilitate the provision of benefits under the scheme. During the course of the debate in the Senate, opposition senators tried to make much of the fact that Comcare’s actual claims costs have declined over the past few years, saying that the amendments proposed in this bill are all about denying injured workers their basic entitlements and increasing their dependence on the public health and welfare systems. Of course, nothing could be further from the truth.

The decline in Comcare’s actual claims costs is not an accurate indicator of the cost pressures facing the Comcare scheme. The Comcare scheme is a long-tail scheme with incapacity benefits payable to age 65 and medical benefits for whole of life. The total expenditure by Comcare each year in meeting the costs of all claims includes the costs of injuries and diseases which may have occurred several decades ago. The current costs of these old claims is irrelevant in examining
the current cost pressures facing the scheme today—costs which must be paid for by employers through their premiums.

The premium rate, which reflects the lifetime costs of injuries and disease that are occurring now, is a much better indicator of current and future cost pressures facing the Comcare scheme. Comcare’s average premium rate has increased by nearly 60 per cent since 2002-03. While Comcare’s premium rate is somewhat lower than comparable schemes, it has been rising at a time when a number of other jurisdictions have been reducing their premiums. Even though the overall number of claims accepted by Comcare has been falling, there has been a significant increase in recent years in the number of high-cost claims, especially those arising from psychological injuries—often known as mental stress claims. The number of accepted disease claims, which are also high-cost claims, has been increasing. For example, mental stress claims account for 7.6 per cent of the total number of all claims in 2005-06 but now represent nearly a third of the total cost of all claims accepted by the scheme.

The costs of accepted disease claims have risen from around $47 million in 2001-02 to nearly $105 million in 2005-06. Many of these claims have occurred in circumstances where work has made only a very small contribution to the injury or disease, contrary to the original intention of the act. The main amendments contained in the bill seek to address these issues by ensuring that only the costs associated with work related injuries are met by Comcare and funded by premium payers and ultimately the taxpayer.

The bill will amend the definitions of ‘disease’ and ‘injury’, which are of central importance in the SRC Act, to strengthen the connection between the employee’s employment and the employee’s eligibility for workers compensation under the scheme. The bill does this in two ways. First of all, the bill amends the definition of ‘disease’ to ensure that Comcare is not liable to pay compensation for diseases which have little if any connection with employment. The amendment requires that an employee’s employment must have contributed in a significant way to the contraction or aggravation of the employee’s ailment before compensation is payable. This replaces a current test which requires a material contribution by employment to the disease before compensation is payable. This amendment is consistent with every other workers compensation scheme in Australia other than that of the Northern Territory.

Secondly, the bill amends the definition of ‘injury’ to expand and update the existing exclusionary provisions to prevent workers compensation being payable in respect of an injury, usually a psychological injury, arising from legitimate administration or administrative action by management. This would include, for example, reasonable appraisal of the employee’s performance and reasonable counselling action taken in respect of the employee’s employment. The reasonableness requirement is not novel; it is a feature of comparable legislation in most jurisdictions across the country, and the term is used in many other laws for the simple reason that there often is not a better alternative. It should be remembered too that the amendment will limit the potential for abuse of the scheme by employees dissatisfied with management decisions.

The bill also amends the provision that sets out the circumstances in which an injury to an employee may be treated as having arisen out of, or in the course of, his or her employment. Specifically the amendments will remove coverage for injuries sustained by employees during journeys between home and work and during recess breaks under-
taken away from the employer’s premises—for example, lunch breaks during which an employee leaves the employer’s premises to go shopping. Again, this is not novel. (Extension of time granted) The Victorian, South Australian, Tasmanian and Western Australians workers compensation schemes do not allow journey claims.

These amendments are also consistent with recommendations made by the Productivity Commission in its March 2004 report on national workers compensation and occupational health and safety frameworks. The Productivity Commission recommended that coverage of journeys to and from work not be provided and that recess breaks and work related events should be restricted to those at workplaces and at employer sanctioned events. The fundamental commonsense principle underlying the Productivity Commission’s recommendation was that employers should only be held liable for conduct that they are in a position to control. Employers cannot control circumstances associated with journeys to and from work or recess breaks taken away from their premises, and it is not appropriate for injuries sustained at these times to be covered by workers compensation.

This bill is also about enhancing various entitlements available to employees under the principal act. The bill will amend the method for calculating retirees’ incapacity benefits to take account of changes in interest rates. The change in the interest rate provision would result in increased benefits payable to retirees. The bill will also increase the maximum funeral benefits payable under the SRC Act and its counterpart for members of the defence forces, the Military Rehabilitation and Compensation Act 2004, to bring these benefits closer into line with actual funeral costs.

The bill will also provide a further reference scale for adjusting employee entitlements under the scheme. Where an employee’s normal weekly earnings cannot be updated by reference to the rates contained in those instruments currently referred to in the SRC Act, benefits will be updated by reference to the Australian Bureau of Statistics index, which will be prescribed in the regulation.

Finally, the bill includes a number of minor technical amendments to the SRC Act which correct anomalies that adversely affect the efficient operation of the act or are inconsistent with the original policy intent behind particular provisions. I commend the bill to the House.

Mr Griffin (Bruce) (10.33 am)—Although the opposition will on this occasion support the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2006, it would be remiss of me not to make a couple of comments, given events that occurred in the other house in respect of these matters. The House may not be aware that, when this issue was considered last Tuesday night, the circumstances were such that the government actually lost the vote 30 to 31—it was negatived. That meant that there had to be a recommittal of the matter in order for the government to use its numbers to ram a result through.

The circumstances are interesting. I am not in any way belittling the seriousness of these issues—compensation and rehabilitation matters are very important for those they affect. However, I could not help but think that, given some of the debates we have in this place, we saw an approach in the Senate that was more akin to what we are attacked for than what the government maintains for themselves. Just a few minutes ago the Assistant Treasurer was talking about the evil links of the Labor Party to the trade union.
movement. Yet on Tuesday night I am not sure whether two or three senators were working to rule, on strike, otherwise involved with work bans or in some way acting in some form of guerrilla activity. But most certainly the act goes to the question of incapacity by injury or disease and an inability to get to work. In those circumstances, clearly, Senators Macdonald and Santoro—and I think maybe others—were in that situation. I will not dwell on Senator Santoro’s circumstances—we know that, as of today, he is no longer a senator—and I know that Senator Macdonald is retiring at the next election. But maybe they just got a bit ahead of themselves last Tuesday night and decided to see what it was like. It was very embarrassing, I guess. The government worked very hard to deceive the Australian people in order to ensure that they were able to get a whole raft of legislation through this term on the basis of getting a majority in the Senate, but to have that majority and then to forget to turn up in order to exercise it is very unfortunate.

A section of the bill refers to amendments to schedule 1, item 12, page 8, and talks about inserting a clause about an employee travelling between the employee’s place of work and another place for the purpose of obtaining a medical certificate for the purposes of this act, receiving medical treatment for an injury, undergoing a rehabilitation program provided under this act or undergoing a medical examination. We do not know what was happening with those senators just the other night. Was it a situation of rehabilitation? Did they require medical treatment? Certainly in some respects there is an argument in the case of some of those senators that medical treatment would almost always be required. Why they were not able to get there on time, I do not know. I note that another section of the act also talks about unlicensed operation of a major hazard facility. And on the subject of hazards, it could well describe the Prime Minister and this government, because in recent times ‘hazard facility’ has been one way to describe the operation of this government.

When it comes to the question of safety, rehabilitation and compensation, I urge the government, in order to ensure that matters are dealt with expeditiously and effectively in the other place, to do their very best to take their hard-won Senate majority and make sure that everyone tries to get to church on time to do their job and to do so in a situation such that we are not worried about whether their incapacity requires compensation or litigation. In the circumstances, I mention that this is an unusual event. I think it is a sign of the way that this government are operating in a general sense and is certainly a view of things to come.

Mr MARTIN FERGUSON (Batman) (10.38 am)—I am forced to join with the member for Bruce in raising the performance of the government not only in the Senate but also in the House of Representatives. I must say that I was a bit surprised on Tuesday night. I was driving home and, having nothing else to listen to on the radio, I tuned in to the Senate. To my surprise I found the Opposition Whip, one Senator George Campbell, on his feet having to respond to a request by the government to enable them to put legislation before the Senate yet again. I listened to this intently and I wondered, ‘What is going on?’

Here is a government that has a majority in the Senate. I know the Australian community now realises it has made a mistake, with Work Choices legislation and a raft of other legislation with which the government has used its majority to have its way with respect to penalising ordinary Australian workers. As the debate went on, we found out that a number of government senators had not met
their responsibilities—responsibilities which the Australian community expects them to meet by actually turning up to do their job.

This bill, the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2006, is a very important one because it is about restricting ordinary workers' compensatable rights. It takes away the capacity to guarantee compensation to ordinary workers going to and from work. The government wants to have its way in respect of penalising ordinary workers yet again, as it has under the Work Choices legislation, yet it could not even get a number of senators—and, I must say, if they have an accident, they have a guarantee that they will receive their salaries on an ongoing basis. There is no question of any loss of pay for these senators. That is the nature of the legislation before the House this morning in respect of the rights of ordinary workers.

We have a number of senators, led by Senator Sandy Macdonald and his partner in crime, Senator Santoro, who are unable to fulfil their responsibilities and obligations to the Australian community and unable to maintain government discipline. I would have thought that it was about time the government realised that it is their responsibility to run the House of Representatives and also to run the Senate. It is not our responsibility. I might also say that, in respect of the performance of the government, it is interesting to have a look from time to time at the list of speakers who are willing to debate legislation before the House.

There is not much legislation at the moment because this government has run out of ideas. All too often, it is the opposition and the Independents who are keeping the House going by being prepared to come here and participate in debates. That is our job: to seriously consider the nature of legislation, to point out faults and to seek to improve it. It is actually a terrific opportunity in life to do that, because you are trying to do what is in the best interests of Australia as a nation.

Yet, unfortunately, on Tuesday evening, the government, with a majority in the Senate, had to get on its hands and knees and plead to the opposition party. Senator George Campbell had to respond, and he did so with goodwill. He said, ‘Yes, we will give you leave,’ because that is about cooperating and making sure that the house operates appropriately. But it reminds us all of the fact that we now have an arrogant government that has run out of ideas and has no business. Not only has it failed in the Senate this week because of its arrogance and contempt for parliamentary processes but also it has failed in the House of Representatives.

Who would have thought that this week—actually, yesterday—the Main Committee, which is about facilitating the operation of the House’s non-controversial legislation, would sit for only 90 minutes? And that was not for the purposes of considering legislation. Those 90 minutes were taken up with members’ three-minute statements. It is worse today. There is no legislation and the Main Committee is not even sitting. What is going on? Where is the government’s program of action?

I consider that the House should acknowledge that we have a government that has run out of ideas. There is no legislative program. The Senate collapsed the other evening because of an inability to have its way in respect of government legislation. The Main Committee of the House has collapsed today, and it sat for only 90 minutes yesterday. To those in the government, I think it is about time that you understood that you have another six to eight months in this parliament and that you are obligated to bring legislation before the House and debate changes that are
necessary and affect the Australian community.

You also have an obligation to make sure that the House and the Senate perform and function in a proper way. If you do not then, clearly, the Australian community is right in its current attitude to the government. It is the government that has run out of ideas and run out of steam. The parliamentary processes—the legislative requirements of the nation, both in the Senate and in the House of Representatives—this week proved that beyond any doubt. So the message to the government is this: start doing your business. It is our responsibility—and we will do it—to participate in debates, but it is your responsibility to run both houses. (Time expired)

Dr STONE (Murray—Minister for Workforce Participation) (10.43 am)—I find it quite extraordinary that the member for Bruce, followed by the member for Batman, acknowledged the seriousness of rehabilitation and compensation for workers in Australia who are injured or have disease related to their employment, yet turned the opportunity to talk about the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2006 into a pathetic diatribe—of course, sometimes making an attempt at humour too—about Senate voting procedures. I think that is quite extraordinary—

Mr Griffin interjecting—

Dr STONE—Well, I thought it was amusing that the member for Batman talked about hearing of the Senate vote while he drove home in his car. While the rest of us were here in the House working hard, he was in his car driving home, listening to what was happening in parliament on the radio. How extraordinary! I thought to myself, ‘That was a funny admission.’ The rest of us were here, of course.

This is a very serious piece of legislation and it did in fact present an opportunity for the opposition to talk about their own states, where currently a Labor government is in place, which are not necessarily moving in the right direction concerning removing the rights of workers to claim for injuries sustained in travelling from home to work. I have to admit that the member for Bruce did begin by saying this is an important piece of legislation. It is, and we as a government—the most extraordinarily reforming government since the era of Menzies era—are determined that workers in Australia will be the best served in terms of compensation and rehabilitation. These amendments are significant. I commend the amendments and ask for their agreement in this House.

Question agreed to.

AIRPORTS AMENDMENT BILL 2006
Consideration of Senate Message
Consideration resumed from 28 March.

Senate’s amendments—

(1) Schedule 1, page 9 (after line 14), after item 40, insert:

40A Before subsection 79(1)
Insert:
Advice to State or Territory etc.

(1A) Before giving the Minister a draft master plan for an airport under section 75, 76 or 78, the airport-lessee company for the airport must advise, in writing, the following persons of its intention to give the Minister the draft master plan:

(a) the Minister, of the State or Territory in which the airport is situated, with responsibility for town planning or use of land;

(b) the authority of that State or Territory with responsibility for town planning or use of land;

(c) each local government body with responsibility for an area surrounding the airport.
(1B) The draft plan submitted to the Minister must be accompanied by:

(a) a copy of the advice given under subsection (1A); and
(b) a written certificate signed on behalf of the company listing the names of those to whom the advice was given.

Note: The heading to section 79 is altered by adding at the end “and advice to State or Territory etc.”.

40B Subsection 79(1)

Omit “Before giving the Minister a draft master plan for an airport under section 75, 76 or 78, the airport-lessee company for the airport must”, substitute “After giving the advice under subsection (1A), but before giving the Minister the draft master plan, the company must also”.

Note: The following heading to subsection 79(1) is inserted “Public comment”.

(2) Schedule 1, item 42, page 9 (line 18), omit “45”, substitute “60”.

(3) Schedule 1, item 43, page 9 (line 24), omit “45”, substitute “60”.

(4) Schedule 1, item 45, page 9 (line 31), omit “45”, substitute “60”.

(5) Schedule 1, item 47, page 10 (lines 8 and 9), omit the item, substitute:

47 Subsection 79(2)

Repeal the subsection, substitute:

(2) If members of the public (including persons covered by subsection (1A)) have given written comments about the preliminary version in accordance with the notice, the draft plan submitted to the Minister must be accompanied by:

(a) copies of those comments; and
(b) a written certificate signed on behalf of the company:

(i) listing the names of those members of the public; and
(ii) summarising those comments; and

(iii) demonstrating that the company has had due regard to those comments in preparing the draft plan; and

(iv) setting out such other information (if any) about those comments as is specified in the regulations.

47A Paragraph 80(1)(b)

After “consulted”, insert “(other than by giving an advice under subsection 79(1A))”.

(6) Schedule 1, item 48, page 10 (lines 10 to 28), omit the item, substitute:

48 After section 80

Insert:

80A Minister may request more material for making decision

(1) This section applies if an airport-lessee company gives the Minister a draft master plan or a draft variation of a final master plan.

(2) If the Minister believes on reasonable grounds that he or she does not have enough material to make a proper decision under subsection 81(2) or 84(2), as applicable, the Minister may request the airport-lessee company to provide specified material relevant to making the decision.

Time does not run while further material is sought

(3) If the Minister has requested more material under subsection (2) for the purposes of making a decision, a day is not to be counted as a business day for the purposes of subsection 81(5) or 84(3), as applicable, if it is:

(a) on or after the day the Minister requested the material; and
(b) on or before the day on which the Minister receives the last of the material requested.

(7) Schedule 1, page 11 (after line 17), after item 56, insert:

56A Before subsection 84A(1)

Insert:
Advice to State or Territory etc.

(1A) Before giving the Minister a draft variation of a final master plan for an airport under subsection 84(1), the airport-lessee company for the airport must advise, in writing, the following persons of its intention to give the Minister the draft variation:

(a) the Minister, of the State or Territory in which the airport is situated, with responsibility for town planning or use of land;

(b) the authority of that State or Territory with responsibility for town planning or use of land;

(c) each local government body with responsibility for an area surrounding the airport.

(1B) The draft variation submitted to the Minister must be accompanied by:

(a) a copy of the advice given under subsection (1A); and

(b) a written certificate signed on behalf of the company:

(i) listing the names of those members of the public;

(ii) summarising those comments; and

(iii) demonstrating that the company has had due regard to those comments in preparing the draft variation; and

(iv) setting out such other information (if any) about those comments as is specified in the regulations.

Note: The heading to section 84A is altered by inserting “and advice to State or Territory etc.” after “comment”.

56B Subsection 84A(1)

Omit “Before giving the Minister a draft variation of a final master plan for an airport under subsection 84(1), the airport-lessee company for the airport must”, substitute “After giving the advice under subsection (1A), but before giving the Minister the draft variation, the company must also”.

Note: The following heading to subsection 84A(1) is inserted “Public comment”.

(8) Schedule 1, item 63, page 12 (lines 14 and 15), omit the item, substitute:

63 Subsection 84A(2)

Repeal the subsection, substitute:

(2) If members of the public (including persons covered by subsection (1A)) have given written comments about the preliminary version in accordance with the notice, the draft variation submitted to the Minister must be accompanied by:

(a) copies of those comments; and

(b) a written certificate signed on behalf of the company:

(i) listing the names of those members of the public; and

(ii) summarising those comments; and

(iii) demonstrating that the company has had due regard to those comments in preparing the draft variation; and

(iv) setting out such other information (if any) about those comments as is specified in the regulations.

(9) Schedule 1, page 14 (after line 24), after item 78, insert:

78A Before subsection 92(1)

Insert:

Advice to State or Territory etc.

(1A) Before giving the Minister a draft major development plan, the airport-lessee company concerned must advise, in writing, the following persons of its intention to give the Minister the draft major development plan:

(a) the Minister, of the State or Territory in which the airport is situated, with responsibility for town planning or use of land;

(b) the authority of that State or Territory with responsibility for town planning or use of land;

(c) each local government body with responsibility for an area surrounding the airport.

(1B) The draft plan submitted to the Minister must be accompanied by:

(a) a copy of the advice given under subsection (1A); and
(b) a written certificate signed on behalf of the company listing the names of those to whom the advice was given.

Note: The heading to section 92 is altered by adding at the end “and advice to State or Territory etc.”.

78B Subsection 92(1)

Omit “Before giving the Minister a draft major development plan, the airport-lessee company concerned must”, substitute “After giving the advice under subsection (1A), but before giving the Minister the draft major development plan, the company must also”.

Note: The following heading to subsection 92(1) is inserted “Public comment”.

(10) Schedule 1, item 80, page 14 (line 28), omit “45”, substitute “60”.

(11) Schedule 1, item 81, page 15 (line 4), omit “45”, substitute “60”.

(12) Schedule 1, item 83, page 15 (line 11), omit “45”, substitute “60”.

(13) Schedule 1, item 85, page 15 (lines 19 and 20), omit the item, substitute:

85 Subsection 92(2)

Repeal the subsection, substitute:

(2) If members of the public (including persons covered by subsection (1A)) have given written comments about the draft version in accordance with the notice, the draft plan submitted to the Minister must be accompanied by:

(a) copies of those comments; and

(b) a written certificate signed on behalf of the company:

(i) listing the names of those members of the public; and

(ii) summarising those comments; and

(iii) demonstrating that the company has had due regard to those comments in preparing the draft plan; and

(iv) setting out such other information (if any) about those comments as is specified in the regulations.

85A Paragraph 93(1)(b)

After “consulted”, insert “(other than by giving an advice under subsection 92(1A))”.

(14) Schedule 1, item 86, page 15 (line 21) to page 16 (line 9), omit the item, substitute:

86 After section 93

Insert:

93A Minister may request more material for making decision

(1) This section applies if an airport-lessee company gives the Minister a draft major development plan or a draft variation of a major development plan.

(2) If the Minister believes on reasonable grounds that he or she does not have enough material to make a proper decision under subsection 94(2) or 95(2), as applicable, the Minister may request the airport-lessee company to provide specified material relevant to making the decision.

Time does not run while further material being sought

(3) If the Minister has requested more material under subsection (2) for the purposes of making a decision, a day is not to be counted as a business day for the purposes of subsection 94(6) or 95(3), as applicable, if it is:

(a) on or after the day the Minister requested the material; and

(b) on or before the day on which the Minister receives the last of the material requested.

(15) Schedule 1, page 16 (after line 17), after item 89, insert:

89A At the end of subsection 94(7)

Add:

Note: For examples of conditions imposed under this subsection, see section 94A.
(16) Schedule 1, page 16 (after line 31), after item 91, insert:

91A After section 94
Insert:

94A Examples of conditions
Without limiting subsection 94(7), the following conditions may be imposed under that subsection:

(a) a condition relating to the ongoing operation of a development to which a major development plan relates;

(b) a condition requiring the preparation, submission for approval by a specified person, and implementation, of a plan for managing the impact, on an airport and an area surrounding an airport, of a development to which a major development plan relates.

(17) Schedule 1, items 97 and 98, page 17 (lines 20 to 28), omit the items, substitute:

97 Before subsection 95A(1)
Insert:

Application of section

(1A) This section applies if the Minister has, under paragraph 95(2)(c), required a draft variation of a major development plan for an airport to be subject to public comment under this section.

Advice to State or Territory etc.

(1B) Before resubmitting the draft variation to the Minister, the airport-lessee company for the airport must advise, in writing, the following persons of its intention to resubmit the draft variation to the Minister:

(a) the Minister, of the State or Territory in which the airport is situated, with responsibility for town planning or use of land;

(b) the authority of that State or Territory with responsibility for town planning or use of land;

(c) each local government body with responsibility for an area surrounding the airport.

(1C) The draft variation resubmitted to the Minister must be accompanied by:

(a) a copy of the advice given under subsection (1B); and

(b) a written certificate signed on behalf of the company listing the names of those covered by subsection (1B) to whom the advice was given.

Note: The heading to section 95A is altered by inserting “and advice to State or Territory etc.” after “comment”.

98 Subsection 95A(1)
Omit “Before giving the Minister a draft variation of a major development plan for an airport under subsection 95(1), the airport-lessee company for the airport must”, substitute “After giving the advice under subsection (1B), but before resubmitting the draft variation to the Minister, the company must also”.

Note: The following heading to subsection 95A(1) is inserted “Public comment”.

(18) Schedule 1, items 105 and 106, page 18 (lines 23 to 26), omit the items, substitute:

105 Subsection 95A(2)
Repeal the subsection, substitute:

(2) If members of the public (including persons covered by subsection (1B)) have given written comments about the preliminary version in accordance with the notice, the draft variation resubmitted to the Minister must be accompanied by:

(a) copies of those comments; and

(b) a written certificate signed on behalf of the company:

(i) listing the names of those members of the public; and

(ii) summarising those comments; and

(iii) demonstrating that the company has had due regard to those comments in preparing the draft variation; and
(iv) setting out such other information (if any) about those comments as is specified in the regulations.

(19) Schedule 1, item 120, page 20 (lines 19 to 24), omit the item, substitute:

120  At the end of Division 6 of Part 5

Add:

112A  Exclusion of Part III of Australian Capital Territory (Planning and Land Management) Act

(1) Part III of the Australian Capital Territory (Planning and Land Management) Act 1988 does not apply in relation to Canberra Airport.

(2) In particular, despite section 10 of that Act, Canberra Airport is not a Designated Area for the purposes of that Act.

(20) Schedule 1, page 21 (after line 14), after item 125, insert:

125A  Before subsection 124(1)

Insert:

Advice to State or Territory etc.

(1A) Before giving the Minister a draft environment strategy for an airport under section 120, 121 or 123, the airport-lessee company for the airport must advise, in writing, the following persons of its intention to give the Minister the draft environment strategy:

(a) the Minister, of the State or Territory in which the airport is situated, with responsibility for town planning or use of land;

(b) the authority of that State or Territory with responsibility for town planning or use of land;

(c) each local government body with responsibility for an area surrounding the airport.

(1B) The draft environment strategy submitted to the Minister must be accompanied by:

(a) a copy of the advice given under subsection (1A); and

(b) a written certificate signed on behalf of the company listing the names of those to whom the advice was given.

Note: The heading to section 124 is altered by adding at the end “and advice to State or Territory etc.”.

125B  Subsection 124(1)

Omit “Before giving the Minister a draft environment strategy for an airport under section 120, 121 or 123, the airport-lessee company for the airport must”, substitute “After giving the advice under subsection (1A), but before giving the Minister the draft environment strategy, the company must also”.

Note: The following heading to subsection 124(1) is inserted “Public comment”.

(21) Schedule 1, item 127, page 21 (line 18), omit “45”, substitute “60”.

(22) Schedule 1, item 128, page 21 (line 24), omit “45”, substitute “60”.

(23) Schedule 1, item 130, page 21 (line 31), omit “45”, substitute “60”.

(24) Schedule 1, item 132, page 22 (lines 8 and 9), omit the item, substitute:

132  Subsection 124(2)

Repeal the subsection, substitute:

(2) If members of the public (including persons covered by subsection (1A)) have given written comments about the preliminary version in accordance with the notice, the draft strategy submitted to the Minister must be accompanied by:

(a) copies of those comments; and

(b) a written certificate signed on behalf of the company:

(i) listing the names of those members of the public; and

(ii) summarising those comments; and

(iii) demonstrating that the company has had due regard to those comments in preparing the draft strategy; and
(iv) setting out such other information (if any) about those comments as is specified in the regulations.

132A Paragraph 125(1)(b)
After “consulted”, insert “(other than by giving an advice under subsection 124(1A))”.

(25) Schedule 1, item 133, page 22 (lines 10 to 29), omit the item, substitute:

133 After section 125
Insert:

125A Minister may request more material for making decision

(1) This section applies if an airport-lessee company gives the Minister a draft environment strategy or a draft variation of a final environment strategy.

(2) If the Minister believes on reasonable grounds that he or she does not have enough material to make a proper decision under subsection 126(2) or 129(2), as applicable, the Minister may request the airport-lessee company to provide specified material relevant to making the decision.

Time does not run while further material being sought

(3) If the Minister has requested more material under subsection (2) for the purposes of making a decision, a day is not to be counted as a business day for the purposes of subsection 126(5) or 129(3), as applicable, if it is:

(a) on or after the day the Minister requested the material; and

(b) on or before the day on which the Minister receives the last of the material requested.

(26) Schedule 1, page 28 (after line 28), before item 170, insert:

169A Section 4 (at the end of the definition of Designated Area)
Add:

Note: Canberra Airport is not a Designated Area: see section 112A of the Airports Act 1996.
Most Australian airports have been good citizens in their community and the local public are proud of the contribution that the airports are making. The government has consistently stated that it will continue to control planning and development on the leased airports sites which are on Commonwealth land. I welcome the opposition’s affirmation in the other place that planning control would be retained by the Commonwealth government. The government recognises that there is a need for some improvements in the consultation process and the involvement of state and territory governments in ensuring that, when new developments are proposed, there is an appropriate level of consultation. The privatisation of our airports has fostered a vibrant industry that has enabled airports to grow as commercial businesses, with minimal government intervention. The network provided by the leased federal airports regulated under the Airports Act forms the backbone of the country’s aviation and transport infrastructure.

The bill, which has been under discussion, preserves and enhances the open and transparent regulatory regime for land use planning and the protection of the environment and control of airport building activity provided for by the Airports Act. However, the government acknowledges that a number of concerns have been raised during the debate on this bill, particularly by the Senate Standing Committee on Rural and Regional Affairs and Transport following its inquiry into the bill. The committee supported the passage of the bill, with two amendments, namely, that the airport lessee companies, or ALCs, be required to provide notice to relevant state and local government organisations when key planning documents are released for public comment and that ALCs be required to provide copies of all public submissions when lodging these documents for approval under the Airports Act 1996.

The government supports these two key recommendations and the amendments will give effect to those recommendations. These changes, which require the airport operator to advise local planning authorities of proposed development on airports and to provide the Minister for Transport and Regional Services with copies of all public comments, will add greater transparency to the airport planning process. I commend the amendments to the House.

Mr MARTIN FERGUSON (Batman) (10.49 am)—I wish to make a few brief comments with respect to the Airports Amendment Bill 2006, which Labor thinks is a very important bill. In doing so, I indicate that the opposition supports a number of the amendments. However, we also oppose some, one such being the shortening of the time span for consultation. Having said that, we will not be dividing on the consideration of the amendments. I would like to raise a couple of issues in passing, firstly, because this bill is very topical at the moment and the Australian community has actually raised an issue which goes to the view of state and territory governments at a ministerial council this week attended by Mr Lloyd, Minister for Local Government, Territories and Roads.

It is important for the record to indicate that the opposition’s view is that the Commonwealth should retain control of the planning and development of airport land. Airports are exceptionally important to Australia economically. They are vibrant hubs of economic activity, key to our national interests. Whilst we believe the Commonwealth should retain control of airport land, both for aviation and non-aviation purposes, this bill is about ensuring that planning approvals are considered in a proper way by taking local community, state and local governments with you on planning decisions, some of which are very tough. Examples include where you have to consider additional runways, exten-
sions of terminal facilities and whether or not a freight hub should be allowed to be developed. Obviously, these are tough decisions that many in the local community find hard to live with. Everyone wants an airport, but no-one wants it in their backyard.

Against that background, a letter was forwarded to the Prime Minister on 5 March this year as a result of processes by state and territory government representatives under the hand of the Premier of South Australia, Mike Rann. I specifically refer to recommendation (d) of that letter, on behalf of all state and territory governments. Recommendation (d) states:

... if non-aviation development control remains with the Australian Government, it should provide clarification as to how it will enforce conditions of development approval placed on airport lessee companies and what role State and Territory Governments are expected to play in relation to these conditions.

The letter goes on to suggest:

In addition, amendments should be made to the Airports Act 1996 to require the Minister for Transport and Regional Services to formally consult with State, Territory and Local Governments concerning a Masterplan or any development application and to take into consideration the State/Territory and Local Government planning policies governing the region in which the airport is located when making an approval decision.

I think that is the intent of the current legislation, including the amendments which have come out of the Senate process and which are currently before the House this morning. To make sure that is the appropriate way for the act to operate, Labor would be happy to work with the premiers to implement the recommendations, should Labor win the next election, but we would not support the handing over of planning responsibility to state, territory and local governments. As we all appreciate, non-aviation development is a very important part of aviation operations and is a crucial source of funding for future aviation development. The truth is that the decision of the Labor government to commence the privatisation process was the correct decision.

There is no way that an Australian government of any political persuasion could handle the cost associated with the requirements to expand and operate airports in the 21st century. The private sector has the capacity not only to operate and manage airports in a proper fashion but also to put together the necessary investment funds to guarantee that we have modern, internationally competitive airports.

Meanwhile, we should do everything we can to work with agencies such as Airservices Australia to ensure that airports operate in the most efficient and safe fashion. Effectively, this means that we work out how to combine our aviation and non-aviation activities to guarantee that the private sector has the capacity to put together an income stream which enables it to continue to upgrade and expand our airport operations in Australia. This is exceptionally important, because there is no way a government of any political persuasion is going to go back to building, owning and operating airports in Australia. That day has gone. We are reliant on the private sector and its capacity to put in place proper planning processes which guarantee the right outcomes for the Australian community, especially people living in and around airports, and in so doing to guarantee the right outcomes in the national interest of Australia. (Extension of time granted)

We have to understand that, while state and territory governments place letters such as this one before not only the government but also the opposition, the truth is that they would not want this power. They would not want the local political pressure which goes with managing the operations of airports in
Australia, whether they involve aviation or non-aviation activities. Unfortunately, some governments, even with their existing planning powers, run away from making tough decisions because they are unable to make the right decisions or argue their decisions through and put them in place.

Just think about it: this letter refers to their wanting to guarantee airports the capacity to expand their aviation activities, including freight operations. The truth of the matter is that when governments have to consider some of these tough decisions—for example, second runways or whether or not at some point in the future Canberra operates as a freight hub—governments of all political persuasions run for cover or run local campaigns against the Australian government, as occurred when we were in government, to take the political pressure off themselves. It gets too hot for them to make the decisions and to do the right thing by the Australian community.

We understand that local and state governments are very important, but state governments represent much smaller seats and local councils represent much smaller areas and numbers of people who are able to impose their will on government organisations. So only the federal Australian government has the capacity to make these tough decisions. We also have to make sure that, when making tough decisions, we properly consider the needs of local communities and that there are appropriate state, territory and local government planning provisions in place.

A couple of planning decisions have made consideration of this bill exceptionally sensitive. The most glaring example of an airport planning decision that I thought was just plain wrong was the development of a brickworks at Perth Airport. This is not a view that I have kept to myself. I have raised it in the House and again this week when I met with representatives of Perth Airport. I made it very clear to them that it was a plain stupid decision. It was an inappropriate development in the local community, it was not in the best long-term interests of the airport and it was not in the best long-term interests of the community that surrounds that airport. This is also the view of the member for Hasluck, who is a member of the government. He thought it was a very foolish, stupid decision too.

It is those sorts of decisions that have made consideration of bills such as this very difficult and sensitive in both major party rooms. The government had a backlash, and it is reflected in the amendment for the shortening of the consultation time in the approval process. The government had to back away from their original intention. However, with this amendment on the time span, the bill as amended will be far more generous than actually exists in a variety of planning processes at local, state and territory government levels all around Australia. It is they who are running the argument that this time span is inadequate, yet the amendment is far more generous than the time spans they provide for in their own planning activities. So let us have a factual debate with local, state and territory governments on the issue of planning in Australia.

Having said that, I think there is a need for us to think about part (d) of the letter from state premiers and territory chief ministers to the Prime Minister on 5 March. We should get the intent of part (d) reflected in legislation and, more importantly, in the decisions we make as a national parliament so that we can then take local and state communities with us. This is important because we cannot go back to the days of trying to say to taxpayers, ‘You are going to run, operate and manage airports.’ That is the job of the private sector. We have to implement a planning process which enables us to work in a part-
nership with the private sector and the other two tiers of government in Australia.

Airports are strategic infrastructure items for Australia. We accept that airport development is contentious. This was reflected in the contributions on the bill from both sides of the House. The right level of government to deal with airport planning is the federal government. If we are fortunate enough to win the next election, we will seek to work with state and territory governments to implement part (d) of the letter of 5 March from the chief ministers and premiers to the Prime Minister.

In relation to the other amendments, we are pleased that the government has taken up recommendations 1 and 2 of the Senate committee report on the bill, and the opposition supports these amendments moved by the government which have that effect. (Extension of time granted) It is certainly worth while to directly notify state, territory and local governments of the commencement of consultation processes and, in doing so, ensure that the minister receives actual submissions on proposals rather than just supporting evidence. However, as I have said, we cannot support any shortening of the consultation and approval time lines. That would only make it more difficult to get a consensus on the operation of this act in the future.

Having said that, the opposition consider the proper administration of the Airports Act to be the key to taking the Australian community forward on this contentious issue. We have to be careful about some of the decisions. Yes, they are tough, but we should not make it harder for ourselves. The foolish decision that was made with respect to the Perth brickworks upset not only local people but also some people in the government's own party room. Whilst we do not support the shortening of the consultation or approval times, I indicate our support for a range of other amendments.

I also say to the premiers and chief ministers of territory and state governments: be real about what is possible. Seek to work with the Australian government as to how we make this act work, but also be honest. You might say that you want these planning powers, but, if they are given to you, you will run for cover. In your letter, you talk about the need to guarantee the capacity of these airports to expand for the movement of passengers and freight in the future. They are tough decisions. You have hidden from these decisions in the past. In some instances, you have actually run campaigns to make it harder for the government to make these decisions, such as in the case of the extension of the Gold Coast Airport runway. That was a hugely political issue. It was only because of cooperation between the government and opposition that we got approval to put that proposition in place, but it took three applications.

In conclusion, I simply say that there is a responsibility on the national parliament to listen to local, state and territory governments on these issues. But there is also a responsibility on politicians of all political persuasions to be honest about how tough these decisions are and, in making them, to consider planning powers, but they should not frustrate a process which can cripple and restrict the future expansion and operation of airports in Australia.

Mr TRUSS (Wide Bay—Minister for Trade) (11.01 am)—I thank the opposition spokesman, the member for Batman, for his comments on the Airports Amendment Bill 2006 and his indication that the opposition is broadly supportive of what is proposed. I also commend him on his contribution. I agree wholeheartedly with many of the things that he said. I think we have moved to
a stage where there is a degree of acknowledg-
edgement that the quite outstanding airport facili-
ties we now have in Australia could never have been provided if the taxpayers were asked to pick up the bill on each occa-
sion. The political reality is that to go through a budget process every time there is a proposal to spend what sometimes amounts to billions of dollars on new airport infra-
structure would be unachievable. The private sector is driving investment and delivering to Australia an excellent suite of airports. They are not all perfect. They all have ambitions to expand and will need to expand if world growth in aviation meets expectations. For that reason, the harnessing of private sector capital has been very worth while.

There are sensitivities about how much should be charged and who should be al-
lowed to operate the airports. We will have to work through those issues with goodwill. But I agree entirely with the opposition spokes-
man—and I made this comment in my own opening remarks—that airports need to be good neighbours and citizens. They are ma-
jor employers. Sydney airport is one of the biggest employers in Sydney. It is very im-
portant to the state of New South Wales as a gateway, as an employer and as a driver of economic activity. The local community and the state and federal governments all need to be supportive of the general activities of the airport and acknowledge that, in most cases, the airport was there first and other develop-
ment has occurred around it. Indeed, some of that development is attracted to the neighbourhood because the airport is there.

There are sometimes conflicts which need to be addressed, and it is beyond doubt that the involvement of the private sector in the airports has led to a broader range of invest-
ment on many of the airport sites. There is enormous potential to use large sites—Melbourne and Brisbane in particular—as an economic gateway or new port. For that rea-
son, those sites are critical to the development of the cities they serve. But they do need to work constructively with their local communities, and there are examples of very good practice in that regard. It is interesting that all of the developments proposed for Melbourne Airport have, I think, not raised a single objection between them. That is an example of not only good planning but also good community consultation processes. The community consultation process in Brisbane, with one exception, has been pretty good as well and has helped lead to mutually accept-
able developments.

I acknowledge, however, that many of these are controversial. The opposition spokesman has referred to one and there are others elsewhere. But he also rightly refers to the fact that some of the criticism by the state and local government is a bit odd in that they complain about the time that is available for public consultation. South Australia is a good example. The South Australian Premier has written a letter on behalf of the premiers complaining about the processes. In South Australia, only 15 days are available for pub-
lic consultation, yet he is complaining that there are only 60 days at the federal level. Indeed, the time frames that will be put in place for airport developments will be the longest of any jurisdiction. So, for that rea-
son, I do not think it is unreasonable.

The states want a bigger role in planning. I am not sure that they have earnt that role. New South Wales’s record in planning the Cross City Tunnel does not win them too many brownie points. What the Queensland government have been doing in relation to the Traveston Dam hardly gives them any credentials to complain. Brian Burke’s planning processes hardly give Western Australia any right to complain. Nonetheless, I think it is appropriate that states have a role in the process. As the opposition spokesman ac-
knowledged, the current act does provide for
local government and state government views to be taken into account.

It has to be said that the states sometimes did not take up the opportunities that were available; they ignored the process. It is pretty hard to complain that they were not consulted when they refused to respond or provide any kind of submission, or instead, as was the case in New South Wales with the big shopping centre development, did it all through the media with appalling scare campaigns. *(Extension of time granted)* There were all sorts of issues associated with that shopping centre which led to it not proceeding. But the suggestion that it was going to add tens of billions of dollars to the road needs of the region and some of the other scare tactics that were run were a little bit beyond the pale. Nonetheless, I think the right result occurred in that instance.

The states need to have a role and local government need to have a role, but they need to exercise the privileges that they have in that process responsibly. As a former minister, and I am sure the current minister will have the same view—and I have said this publicly at airport conferences and the like—I believe the airports need to recognise that they are a part of the community, they need to be responsible citizens and they need to go the extra mile to engage their communities. They have to not only listen to what the committee has to say but respond in a decent and appropriate way. The community might not always be right, and sometimes there may be overriding issues that have to be taken into account, but they have to not only listen to the community but respond to their concerns and do so in a constructive way wherever they can.

I emphasise again that I do not think any Commonwealth government is ever going to cede planning responsibilities over these important national facilities to state governments or local governments. Bear in mind that the states do not subject their planning processes to local government rules—the states themselves override local government rules—so it is a bit rich for them to suggest that the Commonwealth should submit themselves to laws that they will not submit themselves to. Whilst I do not accept that the states have a strong legal position, I think there is a strong moral argument that they need to be effectively involved. This legislation is designed to do that. With the proper encouragement from governments at all levels, there will be a higher level of public consultation and genuine involvement in the future. Not always will every community be happy with the outcome, but there needs to be a recognition at airport level that, if you want to have these kinds of developments, you have to engage the community and have them broadly satisfied that the best decisions are being made in the end.

Question agreed to.

**COMMITEES**

**Members’ Interests Committee**

**Report**

**Mr CIOBO** (Moncrieff) (11.09 am)—In accordance with standing order 220, on behalf of the Committee of Members' Interests, I present the report on the operations of the committee for 2006, together with the minutes of proceedings.

Ordered that the report be made a parliamentary paper.

**Mr CIOBO**—by leave—Can I put on the record my sincere thanks to the member for Scullin, as deputy chair of the committee, as well as to other members of the committee. I and on behalf of the committee sincerely thank the registrar, Mr Bernard Wright, and assistant to the committee, Mrs Laraine Brennan. I thank them for the good work they have done throughout the past year; it has been a pleasure working with them. As
required by resolutions of the House I present copies of notifications of alterations of interests received during the period 8 December 2006 to 28 March 2007.

Publications Committee

Report

Mrs DRAPER (Makin) (11.11 am)—I present the report from the Publications Committee sitting in conference with the Publications Committee of the Senate. Copies of the report are being placed on the table.


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

Consideration of Senate Message

Message received from the Senate returning the bill and acquainting the House that the Senate has agreed to the bill as amended by the House at the request of the Senate.

FARM HOUSEHOLD SUPPORT AMENDMENT BILL 2007

MIGRATION LEGISLATION AMENDMENT (INFORMATION AND OTHER MEASURES) BILL 2007

Returned from the Senate

Message received from the Senate returning the bills without amendment or request.

COMMITTEES

Privileges Committee

Membership

The SPEAKER—I have received advice from the Chief Opposition Whip that he has nominated Ms AE Burke to be a member of the Committee of Privileges in place of Mr McMullan.

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for Foreign Affairs) (11.12 am)—I move:

That Mr McMullan be discharged from the Committee of Privileges and that, in his place, Ms AE Burke be appointed a member of the committee.

Question agreed to.

Corporations and Financial Services Committee

Report

Mr BOWEN (Prospect) (11.12 am)—On behalf of the Parliamentary Joint Committee on Corporations and Financial Services, I present the committee’s report entitled Corporations Amendment (Insolvency) Bill 2007 [exposure draft]; Corporations and Australian Securities and Investments Commission Amendment Regulations 2007 [exposure draft], together with the evidence received by the committee.

Ordered that the report be made a parliamentary paper.

Mr BOWEN—by leave—The bill introduces comprehensive reforms into the corporate insolvency framework to strengthen creditor protections and improve the efficiency of the insolvency process. The objective of insolvency law is to promote and maximise trust in the operation of the system on the part of the community in general and the business and corporate sector in particular. Of course, we see constant reminders of the importance of this with corporate shutdowns across the country.

Four broad themes or issues were identified by the committee: strengthening creditor protections through enhancements to the General Employee Entitlements and Redundancy Scheme, or GEERS; deterring potential misconduct by company officers through the establishment of an assetless administration fund and a new ASIC enforcement program targeted at phoenix company behaviour; improving the regulation of insolvency practitioners through enhanced disclosure
requirements in relation to independence and remuneration; and fine-tuning voluntary administration through a package of technical amendments to enhance the efficiency and cost-effectiveness of the process.

The main insolvency and accounting bodies endorsed the draft bill as reflecting much needed reforms, and expressed strongly the view that there were no matters of such significance raised by the bill that would justify any delay to its introduction and passage through the parliament this year. The committee certainly supports that; however, the committee had some concerns which we asked the government to address either by amending this bill or by bringing in subsequent legislation to amend the act further.

The bill builds on the work of the corporations committee’s earlier report, Corporate insolvency laws: a stocktake, tabled in June 2004. I note that unfortunately the government rejected the majority of the recommendations of that report despite the fact that it was a unanimous and bipartisan report. The report’s recommendations are wide ranging and aim to encourage greater flexibility in insolvency situations. I welcome all of the committee’s recommendations. In particular, I would like to focus my brief remarks on recommendations 3 and 5 of the committee’s report.

In recommendation 3 the committee recommends that the government and industry stakeholders review the right of the administrator to use a casting vote in relation to his or her removal, and develop an alternative mechanism that would satisfy the committee’s intent in avoiding conflicts of interest. The committee sees this as a relatively clear-cut matter. We do not believe it is appropriate for administrators to have a casting vote on whether they should continue in that role. We believe there should be another mechanism. The government response stated that the current practice is sufficiently regulated by the requirement that it must be exercised in what the administrator perceives to be the overall best interests of the company, and the right of creditors to challenge the exercise of the vote in court.

The committee contends that it is appropriate that the right thing not only be done but be seen to be done. We do not believe that it is an appropriate situation for administrators to have the casting vote on their own continued connection with the company. The issue of conflicts of interest and how to avoid them is central to all business dealings. In this context, the power of an administrator to exercise a casting vote may call into question his or her independence and give rise to an apparent conflict of interest.

The accounting bodies agreed with the committee. The joint ICAA/CPA Australia submission noted that recommendation 3: ...

... gives underpinning to independence as one of the cornerstones of external administration. Clearly, the current system does not provide adequate safeguards in the event of a conflict of interest and the measures to overcome this are inefficient and costly to creditors. Creditors should not be forced to appeal. There should be an alternative mechanism which avoids the need for them to appeal to a court or tribunal.

I encourage the government to adopt this recommendation and consult with industry to reach a compromise solution between the government’s existing position of retaining the administrator’s casting vote on his or her removal and the position that prohibits the use of a casting vote in those same situations.

Recommendation 5 deals with the role of directors in reconstructing financial records. The committee recommends that the penalty provisions for breach of section 286 of the Corporations Act be significantly increased to act as an effective deterrent for directors to
ensure that proper financial records are kept. The committee recommends that Treasury develop an appropriate scale of penalties which apply to companies of a different size.

This recommendation was rejected by the government on the grounds that it would create uncertainty as to the liability of individual, non-culpable directors and the quantum of any potential liability. Under current law directors are required to keep proper accounts which would enable liquidators to discharge their duties. However, the current penalty provisions for breach of section 286 of the Corporations Act do not provide a significant deterrent, in the committee’s view.

The IPAA provided an example of what currently happens in practice when a director fails to provide a liquidator with any books or records. When a company goes into official liquidation the directors may know that they owe that company some money by way of a directors’ loan account, or that there has been a transaction where that would ultimately cost them money. They go to the liquidator and say, ‘I’m sorry, I don’t have any records; they have been tossed in the bin.’ Or they may say that they’ve been shredded or the great flood of 1956 meant that they were no longer in existence. The liquidator would then report that to ASIC and the liquidator assistance unit would then take the matter off to a local court. The result of that process would be that they could be fined between $500 and $2,000. So, in terms of an out for them, it is easier for them to take the fine of $500 than to admit the liability.

As pointed out by the example above, provided by the IPAA, the current penalties do not provide a sufficient deterrent to unscrupulous directors, in the committee’s unanimous view. The committee came to the view—a view supported by the CPA and IPAA—that the current penalties need to be increased. There is a direct responsibility and accountability for directors to keep proper financial records, and in the event of corporate insolvency administrators who are left to reconstruct financial records should be authorised to extract costs or penalties from those directors in breach of section 286 of the Corporations Act.

Recommendation 5 supports the earlier developed recommendation 10 of the committee’s report of 2004, which I referred to in my opening remarks. There is no question, in our view, that the government and the Treasury will need to re-visit this area of corporate law.

The quality of the evidence and submissions before the committee was very high and the strong stance taken by the committee in some of its recommendations is such that the government should be considering this. We do not support delaying this bill but we do call on the government to have another good look at the bill and perhaps, in any event, to bring in further legislation at a future time to correct these anomalies.

As always, I thank and congratulate the committee’s secretary, Mr David Sullivan, his support staff, including Mr Stephen Palethorpe, and the committee’s deputy chair, the honourable member for Chisholm, who is not in the chamber today due to other commitments. She has worked very hard on this report. I thank everybody involved in the committee report for their hard work.

EDUCATION SERVICES FOR OVERSEAS STUDENTS LEGISLATION AMENDMENT BILL 2007

Second Reading

Debate resumed from 22 March, on motion by Mr Robb:

That this bill be now read a second time.

Ms LIVERMORE (Capricornia) (11.21 am)—This bill is the third in a series of bills to come before the House to amend the Edu-
ducation Services for Overseas Students Act 2000 in response to the recommendations of a review of the act conducted in 2004. The ESOS Act 2000 was introduced to provide consumer protection to overseas students studying in Australia and to protect Australia’s international reputation as a provider of quality education services.

The government has an interest in ensuring the strength of the education services industry, which is the fourth most valuable export industry in Australia behind iron ore, coal and tourism. It has grown into a major export industry for Australia and now contributes more than $10 billion to the economy annually. Our private and public schools, intensive language centres, vocational and educational training bodies, private colleges and universities have increased overseas enrolments by more than 40 per cent to record numbers of over 350,000 students.

The ALP has been a strong supporter of the international education services sector since the Hawke Labor government first opened our universities to foreign students in the 1980s. It is with this 20-year history of initiating and supporting the Australian education export industry that Labor gives its support to the bill before us today. It is in that same spirit of support for the industry and concern for its ongoing viability and success that I move the second reading amendment circulating in my name which highlights some of the problems in the sector that Labor believes the government has ignored for too long and that threaten the value of an Australian education for international students and our reputation as a quality provider of education services:

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 notes that while there is a need to update the requirements for the provision of education to overseas students, it condemns the Government for poor management of the international education industry, including:

(1) the threat to quality in Australia’s higher education sector as a result of the Government’s cuts to, and lack of investment in Universities, leading to undue reliance by the higher education sector on revenue from international student fees; and

(2) a lack of action taken in response to recent examples of questionable activity in the overseas student area in both the University and Vocational Education and Training sectors”.

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

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

Ms Livermore—Our reputation for quality is the key to the industry’s success and must be fiercely protected. It was that recognition that led to the establishment of the ESOS regime back in 2000. The ESOS regime governs the responsibility of education providers to overseas students who arrive in Australia on student visas in the higher education, vocational education, secondary school or English language sectors. The ESOS Act, complementary acts, ESOS regulations and the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students, known as the national code, form the regulatory regime for international education. The national code has been revised and the new code will come into force on 1 July 2007.

The basic purpose of the original act was to ensure that education providers to international students adhered to consumer protection guidelines. The key components of the framework directed that providers must be registered with the Commonwealth Register of Institutions and Courses for Overseas Students, known as CRICOS; refrain from mis-
leading and deceptive recruiting practices; be able to refund tuition in the case of the institution’s collapse; and be a member of a tuition insurance scheme to allow students to continue their studies at another Australian institution. Exemptions to this requirement apply to certain institutions, most notably those in the university sector. Providers must also report student breaches of visa conditions, disclose previous breaches by the provider and compulsorily comply with the national code and the act. In the case of a breach of the ESOS Act by providers, the Commonwealth has the power to impose sanctions such as the suspension or cancellation of CRICOS membership, as well as remove non-compliant operators from the industry.

Section 176A of the ESOS Act requires an independent evaluation of the act within three years of assent. This was carried out in 2004. The evaluation report was released in June 2005 and addressed quality assurance, consumer protection, migration policy and administration matters. The limitations of the ESOS legislation were recognised, and 41 recommendations for improving the effectiveness of its operation were made. Some of these recommendations were implemented in the 2006 amendments to the ESOS framework.

The Education Services for Overseas Students Legislation Amendment Bill 2007 addresses several of the recommendations put forward by the independent evaluation of the ESOS Act’s operation—namely, the addition of an objects clause; the extension of the ESOS Act to Christmas and Cocos (Keeling) Islands; facilitation of course delivery across state boundaries; better reflection of the actual allocation of roles and responsibilities of the Australian government and the state and territory governments in relation to investigating breaches of the national code; recognition of the respective roles of the Department of Immigration and Citizenship and education providers in the event that a provider reports a student for the breach of his visa conditions; recognition that written agreements with overseas students are mandatory; and removal of the late payment penalty for late payment by providers of the annual fund contribution.

The most straightforward change is the addition of an objects clause to clarify the main purposes of the ESOS Act. The principal objects are: (a) to provide financial and tuition assurance to overseas students for courses for which they have paid; (b) to protect and enhance Australia’s reputation for quality education and training services; and (c) to complement Australia’s migration laws by ensuring providers collect and report information relevant to the administration of the law relating to student visas. The objects identified are in line with recommendation 1 of the evaluation report.

Although this amendment does not in any way affect the operation of the act, it is a significant reminder to all involved in the education services industry about just what the ESOS regime is trying to achieve. Every provider and government authority involved in the education services industry has to appreciate their obligation to the sector as a whole in order to maintain and enforce high standards of both education provision and compliance with our migration laws. The failure of either providers or government departments to fulfil their role within the ESOS regime puts at risk the viability of other providers and ultimately the success of a multibillion dollar export industry.

The extension of the ESOS Act’s operation to Christmas Island and Cocos (Keeling) Islands was likewise recommended by the evaluators. It was also proposed by the Labor Party in 2006, when the first tranche of amendments to the ESOS Act was debated.
This is a good, commonsense outcome for Christmas Island that both Senator Trish Crossin and the member for Lingiari have been very vocal about for some time. The community on Christmas Island will greatly benefit from the extension of eligibility for CRICOS registration to include the Christmas Island District High School. This should assist in maintaining the viability of the courses at years 11 and 12 levels by allowing international students to bolster numbers. We should recognise the role of the West Australian government in negotiating the necessary arrangements to put this proposal in place and thank them for their cooperation in achieving this good result for Christmas Island.

The overseas students that education providers recruit and enrol are in Australia on student visas. In enrolling these students, the education providers therefore accept responsibility for the educational outcomes of these students. Under the ESOS regime, those educational outcomes are important in discharging the provider’s responsibility to the student as a consumer of education services. They are also important in discharging the responsibilities of both the provider and the student to the department of immigration. Students must meet certain standards of performance in their studies to satisfy the conditions of their student visas, and providers have an obligation to report students to the department of immigration when those conditions are breached.

The ESOS Act is as much about maintaining the integrity of Australia’s migration system as it is about protecting the rights of overseas students as consumers of education services. As a result of that intersection between education and immigration, there has always been some blurring between the roles and responsibilities of the department of immigration and those of the education providers under the ESOS regime. During the course of the ESOS review, the Department of Immigration and Multicultural Affairs admitted that it adjudicated on visa related matters on the basis of its assumptions about educational matters. The department is not best qualified to make these assumptions. Now the ESOS Act and the Migration Act are proposed to be amended in order to give education providers greater discretion in determining academic outcomes, such as attendance and course progress, which are designated as visa conditions.

The evaluation report noted:

In sum, the ESOS framework brings the full weight of DIMIA’s compliance processes into play too early in educational processes that should be the responsibility of the provider. The intention was to circumvent contraventions of the student visa programme by non-genuine students and unscrupulous providers, but it has placed undue burdens on genuine providers.

The new national code of 2007 has responded to this problem and sets out the process for dealing with students who are in danger of breaching or who have breached the policy on course progress. The students will have access to the provider’s appeals process and must be notified of external appeals avenues as well. A provider must maintain the student’s enrolment while the appeals process is taking place.

Once a student has chosen not to access the provider’s complaints and appeals process or withdraws from the process, or once the process is completed and results in a decision supporting the registered provider, the registered provider must notify DEST of the unsatisfactory progress as soon as possible. Thus, a student’s attendance at the Department of Immigration and Citizenship will be only to resolve visa status rather than to adjudicate on student visa condition breaches relating to academic progress and attendance. This will provide greater flexibility to the education providers in managing the
educational outcomes of their students and also in making exceptions for students deemed to have compelling and compassionate reasons for failing to meet progress or attendance requirements.

While this is a more effective and realistic delineation of the responsibilities of the department of immigration and education providers, the greater discretion that it gives to education providers should in no way be allowed to weaken the obligation on providers to uphold the highest standards for students when it comes to meeting their visa conditions.

The requirement in the national code of 2007 for mandatory written agreements between students and registered providers concurrently with or prior to accepting money from the student also required some more changes to the ESOS Act. This will assist with providing further protection to students and ensure that they are covered by formal contracts. The bill also includes amendments to allow state authorities to approve arrangements for an education provider registered in one state to deliver part of a course in another state. That arrangement might involve an interstate provider other than the registered provider. The state in which the provider is registered would remain responsible for registering the course, approving the arrangement and monitoring compliance in relation to the course.

I want to come back to where I started this speech, and that is to the objects of the ESOS Act. It is instructive to look at what the reviewers said in the evaluation report, because the objects that they proposed go further and are much more strongly worded than those included in this amendment. I quote from the evaluation report:

1. To establish and safeguard a positive basis for promoting Australia’s international reputation as a provider of high quality education and training by:
   a. Ensuring that education and training for overseas students meets nationally consistent standards; and
   b. Avoiding the presence in the education and training export industry of providers lacking integrity.

3. To support the integrity of Australia’s migration programme by avoiding the presence in the education export industry of providers that facilitate breaches of student visa conditions.

As you can see, that is much more strongly worded than the objects that are being included in the act. Those objects should be a constant reminder that the aim of the ESOS regime should not be simply to increase red tape in the industry for the sake of it but to actually empower providers and authorities to safeguard this industry and protect it from those who want to rip off students and corrupt our migration system.

Many in the sector who care about quality and care about the stake the providers have in the continued strength of the industry have questioned the value of more and more regulation without the commitment from the federal government to enforce its powers under ESOS. They ask whether regulatory control of all providers of education to overseas students is the most efficient mechanism for achieving quality assurance. There is an administrative burden for providers in many of
the ESOS requirements, so they want to see that the cost to them is worth it by those requirements keeping unscrupulous providers out of the industry. More and more regulation is meaningless unless DEST enforces compliance and actively pursues non-conforming providers in the interests of both the consumer and the Australian public.

However, the current approach seems to penalise all providers instead of targeting those providers not up to Australian standards. For example, in spite of the tightening of regulatory standards in the ESOS amendments passed last year, there have been several cases of providers operating in a manner which threatens the reputation of the entire education export sector. The trouble is that the federal government has failed to act to prevent these shonky providers from undermining the value of an Australian qualification and the integrity of our migration system.

In Victoria, it was revealed that in June 2006 the Australian Crime Commission recommended an investigation into the International Business and Hospitality Institute—a private college in Flinders Lane set up in 2005 by two Chinese businessmen—over allegations of student exploitation and criminal conduct. In spite of this recommendation, the college remained federally accredited until 13 March this year, eight months after the Australian Crime Commission’s recommendation and only after the Age newspaper revealed this failure to adequately police compliance with its own regulations. Allegations against this institute included one student from China, Ivy Xu, being told to take a long holiday after classes ended prematurely and another, Wendy Meng Ying, being taught the same lessons over and over again before also being directed to take long holidays.

The Crime Commission acted following a meeting with a former senior manager of IBH, Robert Palmer, who claimed that he had also contacted the departments of education and immigration about his concerns but that neither had bothered to investigate the matter. The Crime Commission found substance to Mr Palmer’s claims, passing the information to the Australian Federal Police, who also notified the department of immigration in November. Ultimately, it was the Australian Council for Private Education and Training, ACPET, that stepped in and relocated the students to other providers once they became aware of the situation in February. Tim Smith, ACPET’s national executive officer, has voiced his frustration at dealing with the federal education department and the federal minister for education, saying as recently as this Monday in the Financial Review:

On each occasion ACPET has raised a problem ... with the department, there has been no reaction or a reply saying they are unable to do anything ...

Yet there is a raft of sanctions the government can apply against errant providers but it declines to do so ...

There are some questions for the minister when she sums up on this bill later. In a further embarrassment for the government, Tim Smith also revealed this week that ACPET had rejected an application for membership from a college in Sydney on ethical grounds but that the minister for education subsequently granted and exemption to the same college allowing it to continue operating. What is going on in this sector?

Similar concerns about government inaction were expressed in a joint peak body response to the draft national code made up of the Vice-Chancellors Committee, ACPET, TAFE Directors Australia and English Australia in late May 2006:

DEST is not using the authority available to it in dealing with unscrupulous providers, but rather has imposed more regulation on all providers in an attempt to resolve an area of substandard per-
formance. That is, to date, the Government has not used the existing consumer protection measures available to it to protect the interests of international education.

This joint statement demonstrates the frustration that several peak bodies experience in the day-to-day operations of the ESOS regime. Clearly, microregulation of providers is an inefficient use of educational resources that constantly increases the administrative regulations and requires the diversion of already inadequate funding, thanks to 10 years of Howard government cuts, from teaching to compliance.

It is not like these warnings to the government are anything new. In June 2005 the Attorney-General presented a report to parliament that also highlighted that there was little evidence to show that DEST was proactively protecting students and the international education industry from unscrupulous providers. It is time for the government to stop paying lip-service to regulating a $10 billion industry and show that the compliance burden placed on all providers is matched by a similarly rigorous approach from the department.

There is much at stake for education providers across the sector, whose investment in staff, buildings, marketing and expertise is built on Australia’s reputation for providing quality education. In a highly competitive international market that reputation cannot survive the consistent reports of unscrupulous providers, dissatisfied students and questions over the standards of education and training. You just need to look at a sample from the last couple of months, February and March, of some of the things that have been reported in our newspapers. There was the headline about IBH in Melbourne: ‘Chinese students claim school said take a holiday’. Other headlines include ‘Uni staff not qualified’ and ‘RMIT caught out on $12,000 diplomas’. A headline in the Age on 15 March read, ‘Student hunger strike over treatment as cash cows’. That one related to the university based in my own electorate, Central Queensland University. As was pointed out to me by representatives from CQU this week, there are always two sides to every story. But the damage is done every time these stories hit the headlines.

As we acknowledged in our second reading amendment, we cannot talk about international education without raising the state of Australia’s university sector. Perhaps the reason the government takes such a hands-off approach to international education is that it knows it has created an environment in which education providers are in a constant scramble for revenue just to survive. In those circumstances the pressure to attract more and more students is on a collision course with quality standards but the government cannot face up to that reality. Cracking down on practices embraced by universities as a result of the government’s policies might raise some uncomfortable questions for the minister.

Labor has raised the shameful state of public investment in our universities many times, and once again we condemn the government for the massive funding cuts it has inflicted on that sector, which is so vital to our economic and social wellbeing. The Howard government has cut billions from universities, so what started as an opportunity to raise additional revenue and broaden the horizons of all students is now a matter of sheer survival for many universities. Professor Simon Marginson has produced figures showing that in 2004 five universities relied on income from overseas students for over 20 per cent of their revenue. These were Curtin, Wollongong, RMIT, Macquarie and UTS. CQU, in my own electorate, obtains 38 per cent of its revenue from overseas students. On one level, on the face of those figures, we can congratulate those universities
for their enterprise. But a responsible minister in a responsible government would be asking whether those figures are sustainable and what they are telling us about the state of the university sector. What is the price we are paying to attract such high numbers of overseas students?

That leads us to the other issue that comes up in connection with international education: the relationship between an Australian qualification and eligibility for permanent residency. The ESOS regime is supposed to ensure that overseas students in Australia are genuinely undertaking the courses in which they are enrolled. But there are suggestions that once again this is being compromised by universities and private colleges in the desperate grab for students and revenue. It seems that there is a proportion of students who overlook the quality of the course, enrol and pay the money to get one step closer to permanent residency. On the other hand there are providers who will overlook the quality of the students, take the money and award the qualification. The question is whether this is going too far. We now have students who are not genuinely capable of mastering the course requirements who are graduating with trade or professional qualifications and seeking permanent residency on the basis of their Australian qualifications.

Monash University academic Bob Birrell blew the whistle on this problem last year when he released his research showing that more than a third of university graduates granted permanent residence in 2006 did not have sufficient command of the English language to justify university admission, let alone earn a degree. We cannot allow this erosion of the value of an Australian degree or qualification to continue. When confronted with these problems the minister usually attacks the messenger and then points to the ESOS regime in defence of the government. But the regulations have to be enforced for them to have any impact.

The race for overseas students that our universities are engaged in is entering very dangerous territory. Professor Marginson’s work in this area tells us that global higher education is stratified, with the top-tier elite institutions around the world attracting students on the basis of the name and reputation of the individual institution. On the other hand, Australian universities fall in the next tier. In that market, it is not the individual institutions that students recognise and judge but the country. When it comes to attracting international students, it is the reputation of Australia as a whole that matters. Very few of our universities have a strong enough reputation internationally to overcome the damage that will occur to our national reputation as an education provider if the current collision between funding and quality is not addressed across the university sector as a whole—and, indeed, across the entire education sector.

The minister cannot just assume that the revenue from overseas students can keep propping up our universities while government policies continue to undermine the quality of teaching and research. If the universities most under pressure to accept any and all overseas students keep doing that to stay afloat, the consequent damage to Australia’s reputation will bring down the whole industry. Any compromise on quality will lead the industry into a dead end, especially when competition for students within our region is growing stronger every day. We need to be out there in the international marketplace promoting the quality of our courses and institutions, not offering shortcuts to permanent residency.

Quality is the way that we will attract the best international students—and, of course, they are the ones we want. The best students
are the ones who will be able to contribute to Australia’s skills base if they decide to become permanent residents. The best students are the ones who will return home with their Australian degrees and take up senior positions in industry, academia and government, where their strong relationship with Australia—and, hopefully, their fond memories of their time here as students—will be of enormous value. We will not get the best students if we do not protect our reputation for quality, and our reputation for quality is seriously undermined when the actions of rogue operators are allowed to cast a shadow over all providers.

I realise that in my speech so far I have not mentioned the students. We talk about the education industry here in Australia—and that is of great importance to us as an export industry—but we should not forget the students in all of this. These students, mostly from around our region of Asia, India and South-East Asia, are paying thousands of dollars for an education here in Australia. No doubt it often causes their families some sacrifice or even hardship for students to undertake their education in Australia, and we need to make sure that, when students come to our country and enrol with our universities, private colleges and vocational education and training providers, they are getting good quality education and the care that they need to overcome the difficulties of coming to a strange country.

We need to create an environment in those institutions, schools and colleges that promotes interaction between the overseas students and the domestic students. That is where the full value of the international student operation really comes into play. It is about sharing the cultures on campus. It is about making sure that the students who come here from overseas and from within our region are sharing their experiences and their cultures with Australian students and that, likewise, we are not only offering them the support that they need to complete their studies successfully but also making sure that their personal needs are met and that pastoral care is provided for them.

I come back to where this all started. The idea of offering education to overseas students was always built in Australia on that notion of the role it had to play in building relationships with the countries around us. By educating students from overseas and then sending those students back with their Australian qualifications to take part in industry and government within their home countries, we are constantly building bridges, using those students and their fond memories of Australia to strengthen the relationships that Australia has and needs within our region. So let us not forget that we need to take good care of those students. We need to provide them with quality education. We need to ensure value for the money they have paid for their education and we need to look after them on a personal level as well.

As I said at the start of my speech, Labor is supporting this bill—it is generally supported within the sector—but with this proviso: it is time for the government to pull its weight. It is one thing to impose regulation on the industry, but that regulation has to be enforced to be effective. The vast majority of providers are out there doing the right thing and putting the administrative procedures in place to ensure their compliance with the ESOS regulations, but the government has to be out there enforcing the regulations against those rogue providers who threaten the health of the whole sector.

Mr HARDGRAVE (Moreton) (11.50 am)—I had not heard the member for Capricornia speak for some time. Although relying heavily on notes, she gave a very good address to the parliament today on the Education Services for Overseas Students Legisla-
tion Amendment Bill 2007, and I agree with much of what she submitted to us. Apart from the rhetorical default line of those opposite about more funding for universities, she essentially said a lot of the things I would also like to say. The reality is that this government has funded the university sector at a higher level than ever before. The reality is that there are more people studying. The reality is that there are more students coming from overseas. The reality is that there are more people involved in more courses. But you would not hear that from those opposite.

For the people listening to the parliament today, it is important to state very clearly that the Labor Party has this view of, ‘Fund them, fund them, fund them and don’t ask them what they are doing with it and all will be solved.’ But the core reality of the education sector in this country, and the core fault of the education sector in this country, is that it is this supply driven sector that presumes that it has great knowledge of everything—‘Just send us money and don’t question what we do. Don’t question whether we are attached to reality or whether we are constructing or delivering courses in a way that is both time effective and in touch with the real world; just give us more money.’

I know that if those opposite are elected that will be their approach, because the academic unions are very strongly represented on the Australian Labor Party front and back benches. The crucible—particularly of the left side of Labor Party politics—the student unions, will demand a ‘no ticket, no study’ approach in Australian universities if the Leader of the Opposition and his fractured team behind him actually manage to get elected. I simply say that the university sector in this country is very strong. The glass is actually more than half full—not quite half empty, member for Capricornia. The reason that so much of universities’ income, including that of Central Queensland University—38 per cent, if I remember the member’s contribution correctly—is coming from overseas students is that the universities are attracting those students. I have been to CQU and I have seen the cultural diversity at work. There are kids from America, from parts of Europe, from Africa and from throughout Asia. Why? Because Central Queensland University is promising them an Australian qualification, which will stand them in good stead, and CQU is delivering on it. Why shouldn’t Central Queensland University get that business?

Much of what the member for Capricornia said, particularly her aspiration for all providers to be good providers, I absolutely endorse 100 per cent. I have a huge problem, particularly from my experiences as a minister in both education and immigration, with the way Australia’s education is presented overseas. My former departmental officers in Australian Education International will now be ducking for cover and thinking, ‘We know where he’s going next.’ But the bottom line is: there is something fundamentally wrong with the way Australia is positioned in the international education marketplace. Something is fundamentally wrong when you go to some parts of our near neighbourhood and they do not know about Australia; all they know about is Kangan Batman. You go to other parts, perhaps in India, and all they know about is Challenger. Perhaps if you go somewhere else, all they know about is Box Hill. That is terrific for those TAFEs—but not very terrific for Australia. It is terrific for the Western Australian education system, which registers Challenger TAFE, and it is terrific for the Victorian education system, which registers Box Hill and Kangan Batman, but it is not necessarily terrific for Australia. Nor is a qualification gained in Victoria or Western Australia automatically admissible in other parts of Australia. So we are actually selling them a falsehood. If we are
not careful we run a real risk of not being able to deliver them a whole-of-Australia outcome.

You have problems not just amongst those who might set up a hospitality training centre in the backstreets of Melbourne—in Flinders Lane, as I think the member for Capricornia talked about. That organisation, I must add, is registered as a training organisation by the Victorian government, not by the Australian government. That is a point of incorrectness in the member for Capricornia’s submission. It is registered as an overseas provider, certainly, through CRICOS, the Commonwealth register, and covered by the Education Services for Overseas Students Act. But it is important to note that registered training organisations are registered state by state. There is no national registration, except for major enterprises that are responsible for training across a variety of sectors. Organisations like Qantas have rightly worked with the government through the former minister, me, to create an environment in which they are able to get a national registration recognised and working.

It is really important that we know that the need to have a true Australian qualification—not a state-by-state qualification—should be at the heart of what we do through the ESOS legislation. So I agree with the member for Capricornia. It is important how we position ourselves overseas. It is important that we actually have a single entry portal for students to come to Australia. If someone wants to be a plumber, or if they want to be a brain surgeon, they have to be able to come to an authority that says: ‘Here’s where the best courses are. Here’s where you can get that qualification. Here’s where, if you were an Australian kid, we’d want you to go.’ It should not be a case where you happen to meet somebody at an education trade show—or a trade official of DFAT. When I was in Vietnam a couple of years ago as one of the education ministers, the Austrade official said, ‘If anybody asks us about training, we just send them off to one of the state based TAFEs.’ What happens if they do not provide the best course? What happens if they do not provide you with the best set of qualifications? ‘That does not matter; we flick them off our desk.’ I do not think that is good enough.

I am very optimistic about the new Institute of Trade Skills Excellence put together by this government since the last election. Employers will be giving a star rating for the quality of training, for the quality of course outline, and for the quality of delivery approaches. It may well become a single entry portal. I raise that because it is absolutely important, as the member for Capricornia said, that this ESOS Act delivers certainty and quality. It is not just about small private providers. I remember a few years ago when my immigration department officials raided the Moreton TAFE at Mount Gravatt because they had bodgied the ESOS requirements. They were busy, as the member for Capricornia said, taking the money. The fact that people were not actually progressing their studies, let alone passing and excelling in their studies, was something that they bodgied up in order to keep the cashflow coming. There we had the Queensland TAFE people doing the sorts of things the member for Capricornia talked about. And it is wrong.

Nor can we have a situation like the one where—I will not name the city—at one of the great old universities of Australia, Chinese women students were being raped on campus and it was left to a Chinese community organisation to come to me and say, ‘We’ve got these kids coming to us needing crisis assistance.’ You cannot have these great universities saying, ‘We’ll take your money but you fend for yourself.’ If the universities value their names—and indeed, as

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the member for Capricornia said, Australia’s name—they have to provide not simply a place to learn but also all the necessary pastoral care and the understanding that people can get into trouble in other places. They are better off trying to build a reputation for Australia as a place where family care and concerns are met and your kids are safe to study. I think the impact of that particular series of incidents—some years ago, fortunately—has damaged our reputation in that important Chinese market.

The long-term future is not with China, because China is going to hit the wall with the numbers of people who are going to want to come to Australia to study. Already the trends are very clear that a decline in the number of students coming from China to Australia is just around the corner and that the big growth numbers are coming from places like India. And what are they in? They are in the vocational trades, which is the single biggest group of growth when it comes to Australia's overseas education exports. The vocational trades and Australian trade training institutes need to be good at what they do and we need to have a national recognition system working properly, which this government is fighting every state government in Australia to achieve. Previously if you were a hairdresser trained in Victoria—you could cut hair in New South Wales. That is not the case now, if you are under the age of 21, because of the stupid system of recognition they have in Victoria. It is absolutely important that we have consistency across the country when we try to sell our assets to other students to come from other places. There is so much more that we can and should do. I heard the Minister for Trade say the other day that the fourth biggest single item, on our trade figures, is trade in services in education. It is absolutely vital that Australia looks to underpin its quality, and that is what this legislation is very much about: underpinning the certainty and underpinning the quality and giving that guarantee to the students and particularly to their parents.

Griffith University, in my own electorate, is a great innovative university which has been around for about 35 years. It has been innovative enough to have associations right through the Asian markets, including up in the UAE in Dubai and places like that. We have even seen Emirates kids coming to learn at Griffith. We have also seen them learn how to fly at the Royal Queensland Aero Club Flight Training School and how to be part of the defence of the UAE. That sort of innovation, underpinned by certainty and quality, is indeed what the CRICOS Act is all about. We need to make sure that it is very clear to those coming from other places that it is not about the cash they bring but, as the member for Capricornia rightly acknowledged, the knowledge and experience they gain and the friendships they build. Australia can have an enormous amount of sway, I think, across this region as a result. When you start to understand Australia as being part of a region, you can also see where, if we get the quality measures right, we can take our international exports of education.

The Philippines education minister talked to me a couple of years ago about the fact that the only constant exports they have got out of the Philippines are people. That is what they have got lots of, and they export them around the world. He said, 'If we could get the Australian system operating in the Philippines we could educate and train people based around Australian standards. You could export your expertise. You could export your standards to us and we could add that as a premium to anything we can train and teach kids in the Philippines. They might well be a ready source of employment that you may need.' In Australia today, as you know, there is not a skills shortage; it is very
much about a labour shortage. We are short on people. We have too many jobs and not enough people. Countries like the Philippines want to not only work with Australia and use our education standards to build their own particular capacity but also offer themselves as part of a regional response.

When I was in Taiwan a couple of weeks ago, the Taiwanese were saying exactly the same thing—that there are too many jobs and not enough people. They turn to countries like the Philippines to fill a lot of jobs. Yet here in Australia we still maintain—and this is mainly conspired by the trade union movement—that you cannot lose your job to an overseas person. What absolute rubbish. Are you going to shut a business because you cannot find enough people to do certain jobs that need to be done? During the Chinese New Year period, the Crown Casino in Melbourne shut down two-thirds of one of its restaurants because it did not have enough people working there. These are the sorts of labour shortages and skills shortages we have in Australia that can be addressed if we start to think about the full effect of the ESOS legislation.

The member for Capricornia criticised the RMIT just a moment ago. Let us look at the work that the RMIT has done. RMIT Vice-Chancellor Margaret Gardner was a former lecturer of mine at Griffith University.

Mr Slipper interjecting—

Mr HARDGRAVE—She is not responsible, Member for Fisher. She would say that I was one of the ones who got away from her. RMIT have a campus in Ho Chi Minh City in Vietnam, in Saigon. RMIT Vietnam offer Australian qualifications through their campus there. What is particularly important about that point is that RMIT, operating under Australian legislation as well as Vietnamese legislation, can get a four-year course through in 2½ years, because they teach 50 weeks of the year, not 36. Most universities and places of trade training operate about 36 weeks a year, Monday to Friday, 9 to 4, with 20 hours of student contact time a week. If the member for Capricornia wants to talk about efficiencies in the sector, she needs to know that in a lot of ways our universities and our trade training institutes are more like holiday camps to kids coming from other countries rather than places of efficient, effective and pressurised learning.

Kids from the countries that are coming to Australia expect to come here to work, and their parents expect them to come here to work. When they come on a student visa they are allowed to work 20 hours around our community as well as study. They are expected to work at study and to progress in order to stay here as a student. But we must realise that, unless our universities are prepared to offer on a more year-round basis the courses that kids are seeking, we are not looking as efficient as some of the universities in other countries. They still want to go to Harvard, Yale or Oxford universities, because those places are far more responsive to the marketplace demands than our Australian institutes of learning.

This act and these amendments are very important because they include an objects clause to clarify the main purpose of the ESOS Act and they deal with a number of other technical amendments. But it is really important to consider that the comfort zone has to be breached on this question of education services for overseas students. The country club approach to education has to go, and we have to see the huge public resources going into our university sector, in particular, and into our public training sector being used on a year-round basis and being made available to more students from more places as a result.
I want to make one last point on the specific provisions of this bill dealing with Christmas Island. Putting Christmas Island District High School within the system of CRICOS—the Commonwealth Register of Institutions and Courses for Overseas Students—is a welcome development. Those opposite are claiming credit for it, and if the member for Lingiari or Senator Crossin have been a party to it, well done to them.

I would also like to claim a little personal credit in that I have visited Christmas Island on a number of occasions and have been to Christmas Island District High School on one occasion. It is a great multicultural school that has kids from right across the region. There are regularly a lot of Indonesian and Indian faces. There are Islamic and Buddhist kids all working together with Christian kids. It is a very happy and very good school, and I think it is a fantastic environment to which kids from other parts of our region may care to come. It is a far more peaceful environment than people perhaps along the Indonesian Archipelago may find. But, as is often the case with any of this, it will generally be those from the wealthier parts of town who will be able to send their kids there. But I think there is an opportunity for Christmas Island to build on this and to create for themselves an enormous better-than-cottage industry.

Another point I will make about Christmas Island is that our Australian government environment people, the national parks people, who operate there and have so much responsibility for the biodiversity of Christmas Island, also introduced me, a year or so ago when I was last there, to kids who had come for their summer break from universities in Europe. I was speaking to people who had come from Paris, amongst other places, to see the biodiversity around Christmas Island and would love to have the opportunity to study there through our education system. They have not had that opportunity because of the way things have worked, and I hope that in time we will see that. Christmas Island, it is said, is like the Galapagos Islands in that it has an enormous amount of unique biodiversity that the world would be quite interested in. Frankly, as Christmas Island struggles to reconfigure its economy away from phosphate mining to other activities, I think education has a huge role to play in its long-term economic viability.

I congratulate the departmental officers who have been a party to constructing this legislation. I congratulate Minister Bishop on listening to me and, indeed, those from the Northern Territory who have parliamentary responsibility for Christmas Island in this matter. I will end where I began, and say that this act and these amendments are very important, but this act has so much more potential in the years to come. I do not think we work as hard as we can to get the dollars we should. There is great economic value as well as great societal value and, dare I say it, great security value that comes from more students studying in this country. (Time expired)

Mr LAURIE FERGUSON (Reid) (12.11 pm)—There are many articles on the education industry and many speakers have referred to its importance to the Australian economy. There are a variety of statistics tossed around—that it is a $10 billion industry and that in December 2006 there were 175,000 foreign students in our universities and 384,000 in our vocational and English language sector. In December, the Minister for Education, Science and Training noted that there were 1,250 providers and 26,000 courses. And there has been a statement made that there are 160,000 people involved in English training alone and that they are spending $1 billion a year.
Indisputably, therefore, this industry is very important to the economy and to Australia’s wellbeing. It is all the more important because of the sorry state of our foreign trade position. As noted earlier, it is the fourth largest industry after coal, iron ore and tourism—two of which, as we know, are raw materials. They are not in the first league of the future of this earth. They are certainly not in the training and skills sector. They certainly do not require that this country devotes significant resources to training, education and research—areas in which, anyone would understand, we have declined very considerably over the last decade.

It is all right for the previous speaker, the member for Moreton, to talk about the cap in numbers in our institutions. That is certainly not the full picture. The clearer picture is the dependence of these institutions on foreign students because of the decline in assistance. I noticed that my colleague the member for Capricornia, who obviously represents the Central Queensland University, said that there are two sides to this story in regard to criticism of that institution. I am afraid to say that the side criticising it is a lot stronger than those who are defending it. Whereas they might say that their contribution from foreign students is 38 per cent, others looking at their performance say that it is in the area of 50 per cent. That was in a recent Sydney Morning Herald article.

Indisputably, foreign students coming to this country is a positive, both for them and us. I recall being at a Punjabi wedding. The students, who had been here under the Colombo plan, had fond memories of this country and noted that our country in particular and our universities had been major contributors to the green revolution. The vital gains for agriculture in their country and, more particularly, the Punjab came from being here. Equally, I recall—on overseas trips with the foreign affairs delegation, when I met alumni associations in Indonesia, Papua New Guinea and Thailand—the wealth of good feeling towards this country, the experiences that people had, what they had learned, what they knew of the Australian people and their appreciation. There was a particular case in Bangkok, when Ian Sinclair, the father of the member for Hunter and I were at a ceremony at which about 100 Thai students came to us. Their pleasure and positive attitude towards this country is so great. There are so many positives from this.

However, I do not think that we can gloss over the fundamental problems and the challenges facing this industry. It is not only about the courses these students are receiving. We live in a society where half a million Australians are now leaving for overseas permanently. Despite the commentators, the negative people attacking migration, the vast majority of these Australians are not 70-year-olds returning to Greece, Italy or Lebanon living on their pensions; they are young Australians who are skilled and capable and who see a future for themselves in another society.

When we talk about foreign students and the issues here, we should also remember those young Australians. We want to ensure that, in the decades ahead, their degrees from Australia have credibility internationally, because they are out there in those overseas markets. Obviously, whilst we traditionally have been much respected in this sector, questions are now being asked. The member for Capricornia referred to comments by Tim Smith from the Australian Council of Private Education and Training. His interest is not in driving down the image of his industry. He is not out there to destroy its credibility. He is not out there to unnecessarily bemoan what is occurring. He is out there to ensure that the industry has credibility in the long term. When he raises the problems of Central Queensland University and a variety of other
players, and when he questions how some of these institutions continue to be registered, he is doing so because in the long term they have to be faced.

One of the issues here is the interface with immigration. Bob Birrell has been in the media in the last week or so, but it was not in the last week or so that he first raised issues about this matter. He has questioned the level of English that is necessary both for migration purposes and to enter some degree courses. We talk to vice-chancellors and we have met people in the parliament this week. We meet friends of ours who are teachers in TAFEs and universities. They have come under pressure with regard to pass rates. They have to ensure that more people get through the course because they are told, ‘We want them back next year to pay money.’ But it is not only in those sectors, when people like me who represent strong non-English-speaking background electorates conduct migration interviews of people who come here to study, that we learn a big factor now driving this sector is not education per se but the wish of people to get permanent residence in this country. It is quite clear that this is now a decisive factor in why a number of people come to this country.

I refer to an article that Bob Birrell wrote in People and Place a while ago. He made a number of prescient points in edition No. 4 of 2006. He analysed the English levels of a variety of people. On page 58, he noted:

Overall, 34 per cent of those visaed under the 880 visa subclass did not achieve the “competent”, band 6, English standard on each of the four modules. This group all reached 5 or 5.5 on all four modules of the IELTS test. If they had not reached this level they would have been ineligible to proceed …

He makes the point there about the levels of English required and the fact that, if it is on the MODL list, people can succeed at a lower level of English. On page 61, he makes the point:

According to DIMA’s student visa statistics, in 2005-06 there were 60,197 visas issued offshore which entitled the recipient to begin studies in Australia’s higher education or postgraduate research sector. All would have had to possess English language skills equivalent to the band 6 IELTS standard before being offered a university place. In the same year there were 39,045 higher education and post graduate research visas issued onshore. In the case of those from China, there were 11,115 offshore visas and 11,528 onshore visas. There was a similar ratio with several other non-English-speaking background countries.

And further:

The implication is that East Asian students (whose English tends—and he say ‘tends’; he does not say ‘is’—to be relatively weak) had to find an alternative pathway into higher education in Australia that did not require them to first achieve level 6 …

The major point here is on page 63:

The overseas students themselves continue to enrol despite the impact that their English language shortcomings may be having on the learning process. They want a good education, but for a large minority the prime concern is to secure a credential which will lead to PR.

It is clear that that is driving a significant number of the students enrolling. I divert for a moment to deal with one point made by the previous speaker, the member for Moreton. He loftily told us that Central Queensland University—which has been indicted by most of the tertiary sector in this country in a series of articles and by other providers—is so attractive that it is getting people from Canada, North America and Europe. For some reason he chose those countries.

I would posit that the number of students it is attracting from those countries is quite small. Interestingly, with respect to the 2004-05 overall figure for Australia of 42,300-odd onshore overseas higher education student
completions from North America or Europe, only Canada on 820 had any significant number whatsoever. It would be very odd if Central Queensland University, which so clearly went out there to attract students from Asia, went against those national statistics and somehow from left field recruited all these people from Europe and North America just because of its massive attractiveness.

We see the same issue in tourism. I was a member of the Joint Standing Committee on Migration for many years and I remember the industry driving to get rid of visas because they had a view that South Korean businessmen, when faced with going to New Zealand or Australia for a holiday, chose New Zealand because it was more lenient with visas. They argued that their financial considerations, their self-interest and their industry needs should overcome the need to have a visa system in this country. It is similar in the education field. A large part of the monitoring of the industry and the way it operates is now driven by the need for these institutions to finance a large part of their operation through foreign students but also to recruit people on the basis that they are coming here to get permanent residence.

There are very big stresses and pressures in the industry. The bill cements requirements—and, in many cases, theoretical requirements—of the provider to tell the department about people who are not attending or who are failing et cetera while, at the same time, it reinforces the departments ability to examine students who have failed and institutions which do not comply. I will give an example of the constant pressures in this sector. Yesterday I was talking to a person who is deeply involved in the refugee movement in this country and who is also a legal practitioner in this sector. He contacted me last week with a concern about the amount of corruption and fraud that is going on in the student sector. He said that, as a result of a decision by the department of immigration, there is a rort whereby people deliberately fail the first year of their course so that when they repeat it they can say that they have completed a two-year course of study.

The ruling of the department is that students have to do a two-year course of study. They are interpreting a failure in the first year and a pass in the next year of study as a two-year course of study. Originally, the department were trying to counter the issue of semesters and years. As I said, the person who raised this issue with me is a practitioner and someone who is among one of the most public advocates of refugees in this country and involved in a variety of ethnic communities. He said that we are going too far in this sector and that too many loopholes and areas are being exploited by lawyers and by interest groups.

In recent months, we have had an indication of a wide range of problems in this sector. It is alleged that students at the Melbourne International College were paid to skip classes. A former community welfare teacher in that institution indicated that he had been pressured to pass non-attendees and that money was paid by students—and sought from the institution on some occasions—not to have to attend classes.

Central Queensland, which, as I have said, is infamous in the industry, has a private partner operation. That private partner takes 60 per cent of profits. It is under severe criticism by the sector. This institution is known for its secrecy and the confidentiality requirements it puts on its staff. Its plagiarism levels have been double those of Sydney, with only one-sixth of the students of Sydney. One would think that these were an odd coincidence of practices at the university. It has also been widely criticised for its failure to report breaches and has instituted a condi-
tion that people have to be there for 12 months before they are allowed to quit.

There have been hunger strikes at the university. Some of its students have claimed—and I say ‘claimed’—that they were tested on material that was not in their study guide. It has a reputation now of low entry requirements and minimal research capacity in the broader campus, which is supposedly being financed by foreign students. We are seeing it becoming the dictator of the whole university these days. The money that it is gaining from this sector is being ploughed back into the recruitment of foreign students rather than, as was theoretically desired, to strengthen the university. It has also been widely reported in the Sydney media that its legal course was open book and multiple choice because of the language difficulties of students. Another former lecturer talked about the widespread plagiarism in that institution.

In the Age on 22 March, the International Business and Hospitality Institute spoke of a former student—and the member for Capricornia touched upon this in her contribution—and a former teacher going through the history of reports to the Australian Crime Commission which had pressured the Victorian Office of Training and Tertiary Education unsuccessfully. I do not dispute for one moment that, if there is anything lacking federally, there is a bit lacking in a few of these state monitoring organisations as well. That institution was accused of substandard training and inadequate teachers. It was also the subject of an allegation by the Australian Crime Commission of criminal activities, which revolved around the college. There were reports of students, as noted earlier, being sent on vacation and certificates being given to non-finishers. There were also claims that 30 students were fooled into giving money for substandard tuition.

There was a controversy concerning Deakin University over repeat exam procedures. Large numbers of students failed a test originally but there was a very significant upturn in the numbers who passed on a second effort. In one case, a person succeeded in passing on their fourth attempt. Colin Long, from the National Tertiary Education Union noted:

The fear of losing the international student market is driving what a lot of universities are doing in terms of teaching and ... academic standards in general.

We have seen enough evidence of the significant problems in this sector to question the degree to which we can rely upon their internal monitoring, because there is a very strong commercial imperative for them to go in the other direction. These institutions might, in a sense, be worried about their long-term credibility, because that could be one of the reasons for the market drying up. But the short-term objective is to get money, the quick dollar, from this sector and that is an inhibitor to policing the field. I commend the amendment because it speaks of ‘a lack of action taken in response to recent examples of questionable activity in the overseas student area in both the University and Vocational Education and Training sectors’.

In summary, this industry can do much for our country’s financial wellbeing and interaction with other communities and countries. It can improve our status in the world. It can enhance our multicultural society. Students can come here and experience the way in which their community is treated. They can go to a variety of dances, cultural exhibitions, art exhibitions restaurants et cetera because we have such a diverse community. They are all positives. Let us hope that we can keep attracting foreign students for the right purpose: giving them an education.
Whether they stay here or go back and contribute to their own countries is not an issue. It is a positive. We should seek to have an industry here which is respected and which accomplishes that. Unfortunately, we are seeing commercial operators and entrepreneurs working for the institutions and selling education as simply a way to get permanent residence. At the same time, we are seeing questionable practices by the Department of Immigration and Citizenship in regard to their interest in policing the industry and questionable emphasis with respect to English requirements in a variety of courses. I commend the amendment.

Mr GEORGIOU (Kooyong) (12.30 pm)—I rise to support the Education Services for Overseas Students Legislation Amendment Bill 2007. Only last month, new data was released that underscored the continued growth and the importance to the Australian economy of international student enrolments. In 2006, total international student enrolments increased by 11 per cent. In all, over 380,000 international students enrolled to study in the Australian educational system last year. Beyond this, however, the data also reveals a growth in commencing new enrolments, with 25,000 more students beginning their studies in 2006 compared to 2005. The majority of all overseas student enrolments are in the higher education sector, but it is worthwhile noting that significant growth continues in the vocational education and training sector. This sector increased its total enrolments by 26 per cent in 2006 and now accounts for almost 22 per cent of international student enrolments. These numbers show that Australia’s education sector is increasing its international attractiveness, and the continuing growth in the number of international students coming to Australia contributes substantially to our country and to its economy.

As the member for Reid noted in his more optimistic passages, international education builds relationships across borders, facilitates social cohesion, facilitates trade competitiveness from skilled migration and advances Australian foreign interests and relations. It has done that for over 60 years and it is accelerating now. It is important. The regard in which Australia is held by people who have been educated here is not total but it is overwhelming. Some people leave with bad experiences, but, overwhelmingly, being educated in Australia brings a connectivity with Australia which cannot be underestimated. The economic benefits of international education for this country are substantial. Over the last financial year, international education contributed $10.1 billion to the economy. As has been said again and again, international education is now Australia’s fourth largest export industry, surpassed only by coal, iron ore and tourism.

The importance of international students and the fact that the sector did face important issues was underscored by the provision in the ESOS Act 2000 that required an independent evaluation of the act’s operation to be undertaken within three years of the act receiving royal assent. In introducing the act, the then Minister for Education, Training and Youth Affairs said the legislation was designed ‘to address problems in the industry’. Nobody has glossed over the fact that there are issues and challenges within the industry. Part of the response to that is the fact that we conducted a review to determine the legislation’s:

… effectiveness in addressing these problems and any new problems that might emerge over the intervening period.

The review would be:

… comprehensive, covering both their effectiveness and efficiency and the ongoing needs of the industry for regulation.
The evaluation began in May 2004 and was reported on in January 2005. A key component of the evaluation was extensive consultation with stakeholders. Approximately 60 written submissions were received and a similar number of consultations were also held. Submissions were received from diverse bodies such as student associations, Australian government agencies, education and training providers, state and territory governments, and training agencies.

The report *Evaluation of the Education Services for Overseas Students Act 2000* found overwhelming support across all stakeholders for the promotion of legislated and mandated arrangements to regulate the education export industry. It also found that the ESOS Act 2000 had substantially improved the situation. It described the ESOS framework as ‘a de facto quality benchmark for the education export industry as a whole’.

The report complimented the remarkable achievement of reaching a high degree of common purpose across all education sectors. The evaluation team commented that this uniformity represents a recognition of the fact that:

... Australia’s face to the international student market must be national and must be driven by a concern for quality.

The evaluation also found, however, that the administration of the ESOS legislation and framework required reform. Forty-one recommendations were made identifying ways in which these could be strengthened. These recommendations formed the basis of three pieces of amending legislation of which this bill is the latest. The two other bills were passed by parliament last year, and the present amendments flow from the evaluations recommendations and from other issues raised by the Department of Education, Science and Training.

Responding to a central recommendation of the evaluation, an important amendment contained in this bill sets out the principal objects of the ESOS Act. This clear articulation of the purpose of the act will help prevent confusion and ensure that stakeholders understand the intent of the act. The bill defines three principal objects of the act. The first is to give assurance to international students that they will receive the education for which they have paid, the second is to protect and enhance Australia’s reputation for quality education and training services, and the third is to ensure that education providers submit information relevant to student visas and to the administration of migration laws.

The reforms advanced by the bill reflect these three key objects: the recognition of students as consumers, the protection and enhancement of the quality of education provided by Australia and the effective implementation of student visa administration.

In relation to the first of these, the bill introduces a technical amendment that, together with the new provisions in the revised national code, will give international students greater consumer protection. The ESOS Act evaluation recommended that the act be amended to mandate that a provider enter into a written agreement in plain English that formalises the enrolment of each of their overseas students. Currently this agreement is optional. As outlined in the national code, the agreement will cover such information as details and conditions of courses and details of fees and charges payable. It will explain students’ entitlements to a refund and the processes involved in claiming a refund. It includes a plain English explanation of what happens if a course is not delivered and a statement that specifies that the signed agreement ‘does not remove the right of the student to take action under Australia’s consumer protection laws’. Ensuring that student and provider are made plainly
aware of their mutual obligations responds to the widely held view that many international students ‘are unaware of the protection available to them and do not take appropriate action to protect their rights’. Making this formerly voluntary agreement mandatory will provide improved consumer protection for students.

Another provision of this bill that is designed to improve the educational experience of international students in Australia amends the act to provide international students with the same opportunity as domestic students to pursue their studies across more than one state. Universities today increasingly offer courses and programs in partnership with other educational providers, often outside the state of their main campus. Previously, the ESOS Act allowed more than one provider to supply an international student’s education, but the providers needed to be within one state or one territory. This amendment allows designated authorities to approve arrangements for students to attend courses and programs delivered by a secondary provider in another state and for the original provider to remain responsible for monitoring course compliance. This recognises the expanding need to facilitate student movement between educational providers and industry, and it will provide a response to skills shortages by course components such as industry placements being undertaken in environments where the need is greatest. Students’ experiences of both Australia and its educational system will be expanded, as they are able to acquire practical skills in various locations around the country.

As well as inhibiting interstate service delivery, the current regulations exclude service delivery in the Australian external territories. This must be a very successful amendment because at least four people have taken credit for it in the course of this debate! Responding to requests from the Christmas Island District High School, the chamber of commerce and the Western Australian Department of Education and Training, this bill extends the provisions of the act so they apply to Christmas Island and the Cocos (Keeling) Islands. The new provision will allow Christmas Island high school to enrol overseas students in years 11 and 12 and will provide a desired boon to the local economy.

Both the changes to interstate regulations and the extension of the scope of the act to include Christmas Island are important legislative responses to the need for flexibility in this sector to ensure that it provides the very best services for international students. These changes reflect the core principles of the act of improved service provision and enhancing the quality of Australia’s reputation as an education provider.

The amendments proposed by the bill also impact upon the principal object of ESOS Act in the area of visa administration. The bill introduces an amendment complementing reforms to the National Code 2007 regarding visa compliance. Under the National Code 2007, registered education providers are required to send written notification to a student of their intention to report a student for breaches of the conditions of their student visa relating to unsatisfactory attendance. The National Code 2007 allows providers some discretion as to when they proceed to report a student who has breached their visa requirements yet is progressing satisfactorily through their course and where compassionate and compelling particulars exist to explain the breach. This amendment makes it clear that it is the provider that is responsible for educational issues. Educators are best placed to make this assessment. They will view the scholastic achievement, evaluate it and make their judgment accordingly. The academic assessment of a student’s progress is the responsibility of teachers, leaving the
department to finalise the student’s visa status. I believe that placing this emphasis on the provider will also encourage them to monitor student progress more closely and to discern and pre-empt any potential problems or welfare issues.

Finally, a technical amendment contained within this bill will improve the administrative effectiveness of the act in the area of its fund contribution management. The independent evaluation recommended the removal of the financial penalty for late payment to the fund contribution, as this was administratively burdensome and not cost-effective. It is proposed that the late fee be replaced by an alternative penalty of suspension of the provider’s CRICOS registration. It is anticipated that such a penalty will provide a more effective means of promoting on-time payment of the annual fund contribution.

In line with what has been an ongoing process of reform and improvement in this area, the amendments proposed by this bill are designed to help ensure that Australia continues to offer high quality education to overseas students. I have highlighted the importance of international students to our economy and the process of reform and improvement resulting from the evaluation of the ESOS Act 2000 and carried out in 2004 and 2005. The amendments in this bill will clarify and enhance the major objectives of the ESOS Act and will help ensure Australia’s reputation as a world leader in education and training provision continues well into the future. I commend the bill to the House.

Mr SNOWDON (Lingiari) (12.45 pm)—Firstly, let me acknowledge the contribution of the member for Kooyong, and before him, on our side of the House, the member for Capricornia and the member for Reid. I thought the member for Capricornia’s speech was very important in outlining some of the major issues and flaws that have existed in the treatment of overseas students in this country—and perhaps, in some instances, in their behaviour—and the way Australian providers, whether tertiary institutions or others, have gone about their business.

The amendments go to the heart of a great debate in this country about higher education and about the need for the university sector to look offshore for overseas students to make up revenue which should otherwise, perhaps, have come from other sources—to wit, the government. It is clear that because of cuts made in the higher education sector, and the lack of investment in the sector as a result of those cuts, many in the higher education sector rely on revenue from international student fees when they might otherwise not. The second part of the amendment asks us to look at the lack of action taken in response to recent examples of questionable activity in the overseas student area of the university and vocational education and training sectors.

Madam Deputy Speaker, this bill is important in a number of aspects but particularly for what it does for the Indian Ocean territories of Christmas Island and the Cocos (Keeling) Islands. It is about that that I want to speak in large part today. But I do want to pick up on what the member for Kooyong said about the importance of the new section 4A that sets out the principal objects of the ESOS Act:

(a) to provide financial and tuition assurance to overseas students for courses for which they have paid; and

(b) to protect and enhance Australia’s reputation for quality education and training services; and

(c) to complement Australia’s migration laws by ensuring providers collect and report information relevant to the administration of the law relating to student visas.
When did you come to the chair, Mr Deputy Speaker Kerr, because I have been calling you Madam Deputy Speaker for a couple of moments? I note that you are not her!

The DEPUTY SPEAKER (Hon. DJC Kerr)—Either that or I am cross-dressing!

Mr SNOWDON—You may be cross-dressing, but you have changed your hairstyle! It is a pleasure to have you here.

I want to go, in particular, to the new proposed section 4B in the amendments, which extends the ESOS Act to Christmas Island and the Cocos (Keeling) Islands. The extension of the operation of the act to Christmas Island was recommended as part of the evaluation of the ESOS Act by Phillips KPA. This is to enable the Christmas Island District High School to be registered on CRICOS for the purposes of delivering courses to overseas students, subject to the Western Australian government committing to the placement of overseas students in appropriate tuition in years 11 and 12 if those years are discontinued by the high school. By making Christmas Island District High School eligible for CRICOS registration, the viability of years 11 and 12 at the school is enhanced, and it will also be of great assistance to the island’s economy. I will come to the detail of that in a moment.

While it does apply to Christmas Island because of the desire of the Christmas Island community to get access, it is important to understand that section 4B of the amendments simply ensures that this act applies to the territory of Christmas Island and the territory of the Cocos (Keeling) Island as if:

(a) a reference in a provision of this Act to a State included a reference to the Territory of Christmas Island or the Territory of Cocos (Keeling) Islands; and

(b) a reference in a provision of this Act to a designated authority in relation to a State included a reference to the Territories Minister.

That is important because it means that there is the potential for others with an interest in providing these services to be engaged, either on Christmas Island or the Cocos (Keeling) Islands.

But, at the outset, it needs to be comprehended that the thrust for this has come from the Christmas Island community. I have been visiting the Christmas Island community for 20 years this year. For much of that time, people have been looking at how they could make use of the resources of the island community to expand the economic activities of the island but also take advantage of the significant geographical advantages that Christmas Island has, being so close to our South-East Asian neighbours.

For those of us who are not aware, Christmas Island is roughly a 3½-hour flight and 3,500 kilometres or thereabouts from Perth to the north-north-west of Perth and about the same distance west of Darwin. By jet, it is approximately a 40-minute flight from Jakarta, so it is very close to our neighbours, and, significantly, flights into Christmas Island emanate currently from either Perth or Singapore. The island community see much of their business as coming from the north, even though they are clearly being serviced from the Australian mainland.

Over the years, on a number of occasions that I can recall when Labor was in government, I received submissions from people who were interested in looking at the possibility of setting up a college on Christmas Island for the purpose of providing an educational opportunity for overseas students in English. That has enormous future potential for the community. Clearly, the community in the high school on Christmas Island has seen that working together and putting their not inconsiderable weight behind the high school getting access to this ability to be able to take overseas students is an important part
of the future planning for the development of the island community.

Madam Deputy Speaker—Mr Deputy Speaker: I should know by looking at you—this is a really terrific place. For those of us who have had the privilege of visiting there—I have been there on at least 20 or 30 occasions and I have many friends on the island—it is a significantly different place to any other part of Australia. It is a relatively small population, but around 65 to 75 per cent of that population speak Chinese as their first language; they have come from Singapore or Malaysia in past years and in previous generations to settle on Christmas Island. A significant proportion speak Malay as their first language. Then there are mainlanders—I really should not describe them as mainlanders—who have English as their first language and were born there but some of whom migrated from the mainland. It is a very interesting cultural mix; it is very different from most parts of Australia because of its isolation and the fact that these cultures are living together so vibrantly and are fostering a very good example to all of us as to how we should live together.

There has been much discussion over many years to ensure that the ESOS Act is applicable to the Christmas Island District High School, because the school will then be able to meet the requirements of the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students. I understand that the Western Australian Department of Education and Training is sending its own departmental people to the island next month to set up the international student unit within the school. It need not be just with the Western Australian Department of Education and Training; it could be with the Northern Territory Department of Employment, Education and Training—and, indeed, they have looked at those options over the years.

Like many schools in the electorate that I live in, the provision of secondary education on Christmas Island and the Cocos (Keeling) Islands generates much discussion, and for many years it just was not available; it has only been available for about three years. There are always questions, which are raised by education administrators, about economies of scale, about the diversity of the courses that can be provided and about the range of options in subject choices et cetera. Parents are often faced with the dilemma of whether to support the local high school or to opt to send their children to the mainland to complete their secondary education. The reasons for this choice are many, but it places significant burdens on those families and the community—not the least of which is the financial burden that a mainland education places on island families.

Since years 11 and 12 have been provided on Christmas Island—I need here to commend the work of the professional educators on the island for what they have done—a small cohort of students have been trailblazers in establishing this senior component of the school, and it is now possible to complete year 12 on the island. Although some students continue to opt to complete their edu-
cation on the mainland, they have a choice and there is clearly no obligation on them to complete years 11 and 12 on the island. But the staff and parents on Christmas Island do need to be congratulated on their support of post compulsory school education in the community.

Christmas Island District High School is a focus of activity on the island. As I said, it has strong Islamic and Chinese foundations. It is noteworthy that this year on Christmas Island there is an exchange student from mainland China. That student’s arrival on the island was facilitated by the previous Chinese Ambassador to Australia, Madam Fu. Madam Fu travelled to the island, built up a relationship with the island community then worked with the island community and the Western Australian Department of Education and Training to ensure that a Chinese student could come to the island to help teach the language.

That is important when you think of where potential students of this school might come from and whether the school should provide language services for overseas students. We know that there are 15,000 students from Indonesia and 10,000 students from Singapore in this country. There are 80,000 students from mainland China. Each of these countries has close connections with the Christmas Island community. That is exemplified by the relationship which has been developed with mainland China, the Republic of China, through the work that the embassy here and Madam Fu did with the island community. I am certain that this opportunity will be taken up by the island community. They will see this as a way to stabilise and ensure the future of their year 11 and 12, but other opportunities will undoubtedly emerge. One can see how opportunities might emerge to provide other training for overseas students.

I am sure that on Christmas Island, above any financial incentive to attract overseas students, there is a firm commitment from all islanders to maintain and improve the quality and range of education services for the benefit of the entire community. If that were not the case, I would find it difficult to support these proposals. We are talking about enhancing the education opportunities for the island’s students and providing a quality education and language program for overseas students. I have mentioned already the number of overseas students currently in this country who have come from Malaysia, Indonesia, Singapore and China. On the figures that I have for 2004-05, the economic benefits of international education to Australia are estimated to be around $7.5 billion, of which $6.9 billion was from spending by onshore students. So there is significant economic potential to be garnered from the development of this facility on Christmas Island.

I think the geographical and cultural advantages that Christmas Island has for potential overseas students are obvious. It seems to me that, with this amendment bill today, there is no limit to what might happen in terms of not only enhancing opportunities for overseas students on Christmas Island but, significantly, also providing a base for the further development of education opportunities for the island community. I think this is a very important piece of legislation for that reason. I want to comment again on the contribution of the member for Capricornia, who outlined in great detail flaws in the treatment of overseas students previously. She raised significant questions as to how the government is going to ensure that the principal objects of the act are carried through.

The DEPUTY SPEAKER (Hon. DJC Kerr)—I thank the honourable member for Lingiari, but might I suggest that he have his eyesight tested if he discerns any manner of...
resemblance between me and the honourable member for Mackellar.

Mr Snowdon—With respect, Mr Deputy Speaker Kerr, not in behavioural traits.

Mr TOLLNER (Solomon) (1.04 pm)—I am proud and happy to speak on the Education Services for Overseas Students Legislation Amendment Bill 2007 that is before the House today, because education services are a vital growth component of our export markets. Building upon the Education Services for Overseas Students Act 2000, this amendment bill will further protect the hard-won reputation of Australia’s education and training export industry. It will do so by regulating education and training providers, providing consumer protection and tuition assurance for overseas students and ensuring the integrity of the student visa program.

The bill includes amendments that support the revised National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students, known as the National Code 2007. The bill will enhance national consistency in the administration of the ESOS Act. It will also streamline administrative procedures for international education providers, ensure that the ESOS legislation maintains the integrity of the student visa conditions and migration regulations and minimise any perception of duplication in compliance monitoring by the designated authorities and the Australian government.

The ESOS Act and its complementary legislation ensure the quality of education and training provision to overseas students. The amendments contained in the bill will simplify procedures for international education providers. These amendments will be welcomed by the international education industry. The stakes are high. In 2004-05, the economic benefits of international education to Australia were estimated to be around $7.5 billion, of which $6.9 billion was from spending by onshore students. In 2005 fees from overseas students contributed $2.1 billion to university revenue.

The broad principles laid down in the amendment bill will have a direct impact on the quality and delivery of higher education in all states and territories. In the Northern Territory, it will help to build the framework necessary to attract international universities and upgrade quality standards. On this note, I strongly support the establishment of a stand-alone United Nations University research and training centre on traditional knowledge in the Northern Territory.

Since early last year, I have been having discussions with both Charles Darwin University and the United Nations University on this very exciting initiative. There is still a way to go, but the United Nations University has made an in-principle commitment to build a centre of excellence for traditional knowledge—Indigenous studies—located at Charles Darwin University, Australia’s youngest university, in Darwin, in my electorate of Solomon.

CDU won the backing of the United Nations University to locate the centre in Darwin against international competition, and a great deal of credit must go to the vice-chancellor, Professor Helen Garnett, for her vision in promoting the collaboration. Considerable matching funding has been sought from both the Northern Territory government and international philanthropic sources, and I know that the federal government is currently reviewing funding options for the project.

CDU is seeking funding of several million dollars from the federal government as a one-off contribution or, alternatively, funding contributions on a year-by-year basis over the long term. The United Nations University has indicated that it will contribute several
million dollars to establish the centre, conditional on matching funds from the Australian government. The proposed Indigenous studies centre is acknowledged by key Indigenous groups as an important step in enhancing the economic and social outcomes for Indigenous people in Australia.

The United Nations University functions as a decentralised network of networks with a truly interdisciplinary and global perspective. The UNU system comprises the UNU Centre in Tokyo and a worldwide network of research and training centres and programs assisted by numerous associated and cooperating institutions.

In June last year, the UNU Institute of Advanced Studies reported on a proposed meeting of international experts in Brisbane to establish a UNU initiative on traditional knowledge. They reported:

UNU-IAS has completed a preliminary study for establishing a centre on Traditional Knowledge in Australia. The study concluded that establishing a centre on Traditional Knowledge in Australia would be feasible and timely, and could make an important contribution to the challenges facing Traditional Knowledge ...

Charles Darwin University was subsequently selected as the preferred host for the United Nations Research Centre on Traditional Knowledge. Although CDU has only 218 overseas students currently enrolled in a total student population of 5,324 students, the proposed UN centre has enormous potential for the campus.

The amendment bill before us today will help new universities like Charles Darwin because administrative procedures for international education providers will be streamlined. It will ensure the quality of education and training delivered to overseas students is improved. This makes good sense, particularly in the Northern Territory, where there is a need to rationalise Indigenous education courses and develop centres of specialisation and excellence. The Territory has the potential to be a world leader in fields like Indigenous studies and tropical medicine, and the location of the UN University at CDU would provide some obvious synergies.

Charles Darwin University operates in some of the most remote contexts and regions in Australia and the world. Working in cross-cultural and multilingual environments requires methodologies of delivery and interaction that are quite different from any other tertiary institution in Australia.

I strongly support the idea of a United Nations global centre for Indigenous studies, which would consolidate all Northern Territory Indigenous educational groups, including the Batchelor Institute of Indigenous Tertiary Education, into one world-class centre. Batchelor Institute is controlled and run by Indigenous Australians and specialises in working with Aboriginal and Torres Strait Islander students from across Australia, especially remote communities. It aims to develop an Indigenous approach to mainstream disciplines and careers.

The institute offers higher education and vocational education and training courses, ranging from apprenticeships to certificates. The proposed tie-up between CDU and the UN University should strengthen ties between Batchelor Institute and Indigenous communities through cooperation in Indigenous research and development. This will attract overseas students, Indigenous and non-Indigenous, as well as academics, to the Northern Territory and reinvigorate higher education, scholarship and research in the Indigenous education field. It will also promote partnerships in research and scholarship with other organisations and researchers.

New funding sources and grants, for example, would expand and strengthen Batchelor’s research profile and provide re-
search grants to staff. So far, research activity in the institute’s dispersed environment has been limited, to say the least. There are currently no students undertaking higher degrees by research. If the Batchelor Institute were to merge into CDU—a move which, by the way, I am keen to promote—it would allow them to focus on those areas which they should do best. That is predominately the VET sector, training apprentices and the like in a whole range of fields, which are sorely needed in most remote communities.

If the UN University and CDU can seal a deal and Batchelor Institute merges its operations into CDU, it will enable Batchelor Institute and possibly other Territory Indigenous education bodies to function in a global environment, offer higher degrees by research and develop key areas of research in education, health, management and natural and cultural resource management.

The new Batchelor campus of CDU could become a truly specialist institution of Aboriginal and Torres Strait Islander tertiary education through the provision of recognised and internationally accredited educational and vocational training courses. Of course, there will be major benefits to all concerned from the creation of better economies of scale that will see a greater bang for the buck, a much more targeted allocation of precious funds and better utilisation of the facilities at Batchelor.

This will be a world-class centre of excellence in all facets of Indigenous education and understanding and, as such, will attract considerable interest from other institutions not only in Australia but all over the world. Institutions and people will be seeking to collaborate and work with the best of the best. I believe that through this initiative the Northern Territory and CDU will capitalise on one of the Northern Territory’s greatest strengths, its Indigenous people.

For these reasons, I commend the Education Services for Overseas Students Legislation Amendment Bill 2007 to the House. In both its spirit and its letter it will advance these education goals in the Northern Territory and nationwide.

Mr GAVAN O’CONNOR (Corio) (1.16 pm)—The Education Services for Overseas Students Legislation Amendment Bill 2007 is the latest of several pieces of legislation setting out the legal framework for the responsibilities of Australian education providers to overseas students who come to Australia on a visa to study in the higher education area, the vocational education area, secondary high schools or the English language sector. The seminal act covering the Commonwealth’s regulatory regime in this policy area is the Education Services for Overseas Students Act 2000.

This is the third amendment bill to tighten the administrative and regulatory framework governing the provision of education and training services to overseas students in Australia. Regrettably, we do not even live in a near-perfect world and these amendments are necessary to protect and enhance what has become a valuable export earner for the nation, now worth over $7 billion to the Australian economy. Some put that figure as high as $10 billion. As this industry has developed over time, it has become obvious that unscrupulous and mercenary operators are extracting profit from this activity and, in the process, damaging the reputation of genuine Australian education providers and potentially damaging a very important industry which, as I understand it, now occupies the position of our fourth-largest export.

An independent evaluation in 2005 made some 41 recommendations for improving the regulatory framework and the accountability of providers both to their client students and to Commonwealth departments, such as the
Department of Education, Science and Training and the Department of Immigration and Citizenship. Without labouring over the more technical amendments, I will outline what this legislation’s major amendments cover.

This legislation adds an objects clause to clarify the main purposes of the ESOS Act. It also facilitates course delivery across state boundaries by allowing designated authorities to approve arrangements where a provider other than the registered provider is located in a different state to the registered provider. This of course reflects the reality of education within Australia today.

The bill enables a more accurate reflection of the actual allocation of the roles and responsibilities of the Australian government and the state and territory governments in relation to the investigation of breaches of the National Code 2007, which will come into effect from 1 July 2007. It also recognises the role of the Department of Immigration and Citizenship to resolve the visa status of an overseas student, while the role of the education provider is to advise DIAC of that breach. The bill also makes written agreements with each overseas student mandatory under the National Code 2007.

We on this side of the House regard these amendments as both necessary and appropriate at this time to complete the strengthening of the regulatory and administrative environment that governs this trade. The provision of education services to overseas students is an area where the responsibilities of the Commonwealth and the states and territories are held conjointly. The states and territories have a primary responsibility for the registration, monitoring and evaluation of education providers and the courses they offer, while the Commonwealth provides the overall regulatory framework and the necessary visa and immigration services that enhance and secure this education services trade which is so important to Australia.

This is a trade of mutual benefit not only to the students who come to Australia to be educated but to the country from which they come, and to Australia as a nation which hosts these students and provides them with their education. For the overseas student, it is an opportunity to study in a world-class education institution at a competitive cost and in a relatively secure and friendly environment compared to others overseas. For the student’s own country, the ability to access reasonably priced, quality education in the region for many of its students relieves some of the burden on the government to provide the full range of education services, allowing opportunity cost investments and resource allocations to other socially and economically productive areas of the society.

For Australia, this service trade offers an opportunity to earn substantial export income and to maximise returns from education infrastructure and training investments already made here in Australia. It offers Australia the opportunity to project its influence in a constructive and unique way in the region. Long term, that has quite profound security implications for this nation. Therefore, it is incumbent on this parliament to get the regulatory regime right and to get the best possible cooperation between the Commonwealth and the states in providing educational services second to none in the world to overseas students.

We on this side of the House are very proud of the efforts and vision of the Hawke and Keating governments in setting up this important opportunity that the nation now embraces. It is Labor’s vision for a world-class education service offered to overseas students that is being realised every day as this important area of economic activity bears fruit for the nation. Indeed, if you were
to listen to Howard government ministers, you would think that the history of the world only began when they were elected to this parliament. We hear this every day from the Prime Minister in his reference to the economic performance of the nation over the last 11 years, conveniently not disclosing to the Australian people that it was a Labor government that broke the back of Liberal inflation, provided a very low inflation regime, had the unemployment statistics heading south at a great rate of knots and provided an economy that had grown at four per cent for four years before the Howard government came to office. Likewise, in the education services area, you would think the history of the world only began with the election of the Howard government—but it did not. It was the visionary Hawke and Keating Labor governments that put this enormous opportunity front and square before Australian education providers, and we see the results today.

In my own electorate of Corio, in the Geelong region, we are indeed blessed with world-class primary, secondary and tertiary education institutions. We are able to offer to overseas students education services that are very competitive, of the highest quality and second to none. In our own secondary school sector, several schools have taken the opportunity to offer places to overseas students, not only to earn income from the assets they have already invested in education but also to provide a broader cultural context and learning environment for their own students. Indeed, in our secondary system there has been significant investment from overseas—from Japan, particularly, in Kardinia International College. As a result, not only are there important student exchanges now taking place between Australia and Japan but considerable resources have been invested in providing a broad curriculum and quality education for all students, from Australia, Japan and other countries throughout the region.

In the tertiary sector, both Deakin University and the Gordon TAFE make significant course offerings to overseas students. In 2006, the Gordon hosted some 113 overseas students from Hong Kong, Korea, Japan, Thailand and Taiwan. With new student interest coming from emerging markets in China, India and Indonesia and from as far away as South America, the Gordon is well placed to capture a slice of this very important trade in education services.

In a speech to this House in September 2006 on amendments to the education services act, I outlined the offerings of Deakin University as far as the overseas education services trade is concerned. At that time, there were in the order of 616 of those enrollees at Deakin University, with the major sources of those students being India, Zimbabwe and China. Of course, the students who came participated in a range of courses right across the tertiary curriculum offerings of Deakin University.

I will not labour on the elements of that speech. Suffice it to say that both the Gordon TAFE and Deakin University take their responsibilities to overseas students very seriously indeed. They spend a lot of time and energy in preparing students for their educational life in Australia, and they do that with the support of the Geelong community.

We are very fortunate in the Geelong region in the quality of the primary, secondary and tertiary education resources that are at the community’s disposal. It is pleasing to see that education institutions across the spectrum are taking advantage of these very important opportunities that are emerging to educate and train overseas students and, at the same time, making their contribution in those areas of the life of the nation that will be very important in securing our future. The
Geelong region is ideally placed to provide these education services to overseas students. We have a laid-back lifestyle. We have quality education institutions that can provide courses at competitive costs. And, of course, we have a very supportive multicultural community which embraces diversity, so that overseas students who do come to the Geelong region feel very much at home and very secure.

This is a very important industry now to Australia in so many ways, as I have outlined. The industry is a major business. It is the largest provider per head of population and the third-largest English-speaking provider of international education services, with seven per cent of the market, behind only the USA and the UK. We are not dealing here with a tin-pot country—as some would say—at the bottom end of the world; we are a major player in this trade in an international sense. It is incumbent on Commonwealth and state governments to get the regulatory regime right so that overseas students who come to Australia remember their experience well and take that back to their own countries for the rest of their lives.

I recall going on many delegations to our region where I sat down to briefings with embassy officials, particularly with the Department of Foreign Affairs and Trade, and there was always a focus on educational services and the important work being done to grow that trade within our region. When one travels around Asia in particular, one continually comes across people who were educated in Australian educational institutions, and they fondly remember their experience here.

Before I entered parliament I worked with former industry minister and senator John Button. I recall accompanying him to Indonesia on one of his delegations and sitting down with, I think, then Minister Hartarto. Minister Hartarto had worked part time on the wharves in Melbourne while he studied in Australia and he held quite fond memories of the Australian friendships that he created during his education here. What price can you put on that goodwill? It is an extraordinary asset, and it demands that we make sure that the unscrupulous operators who drag the standards of this industry down are brutally weeded out in the national interest.

There is no place in this trade for any education provider that seeks to abuse an overseas student, a friend of Australia who entrusts their education to our care. There is no excuse for that, and any measure that the minister and the government might take to make sure that these unscrupulous providers are weeded out will get very strong support from the Geelong community and, I am sure, from this side of the House.

Likewise, we ought to be aware that this is a very competitive area of global trade. Perhaps I should not mention educational services strictly in trade terms because, as I have outlined to the House, I see the importance of this trade in its wider dimensions. However, it is absolutely important to Australia’s national economic export performance that this trade be enhanced, that our great educational assets be used efficiently in Australia’s long-term national interest and that the regulatory frameworks that we are able to devise in legislation coming through this House protect this very important aspect of our economy. There is no place for those who seek to abuse the enormous opportunity for the nation to secure its future both in an economic and cultural sense within our region.

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (1.33 pm)—I thank all members who have made a contribution to
this debate, but I cannot allow the opportunity to pass without challenging some of the misleading statements made by the opposition. The coalition government is providing a record investment of $8.2 billion to the university sector this year. Contrary to the assertions of the Labor Party, the Australian government has increased funding to our universities since 1996 by over 26 per cent in real terms. Over the next decade, the sector will be $11 billion better off as a result of the Australian government’s Our Universities: Backing Australia’s Future reforms. Total university sector revenue has virtually doubled since 1996. Revenue from overseas students represents about 15 per cent of sector revenue. This government has invested significant public funds in our universities to ensure that they can continue to compete in an increasingly global higher education sector with increasing student and academic mobility.

The coalition government is committed to ensuring that international students who choose to study in Australia receive the highest quality education and training. Our world-leading Education Services for Overseas Students Act 2000, which I will refer to as the ESOS Act, gives legislative force to this commitment.

While the coalition government provides the overarching framework to protect the quality of education that an international student receives in Australia, the states also have a responsibility to regulate education providers. The state and territory governments are responsible for the initial approval and registration of providers and the ongoing monitoring of core quality issues. The states and territories have the power to suspend or deregister an education provider.

Education providers are also held responsible under the ESOS legislative framework for the manner in which recruitment activities are undertaken on their behalf by their education agents. Education agents play a vital part in the promotion of Australian education and training internationally. They recruit overseas students, refer them to education providers and provide marketing and promotion services on behalf of the education providers. Given that the vast majority of education agents operate in other countries, they cannot be subject to Australian law. However, the education providers are subject to the ESOS Act and are accountable for the acts of their agents—those that they have engaged to represent them—including any breach of the requirements of the ESOS legislative framework. The ESOS Act provides a nationally consistent basis for regulating Australia’s education and training export industry and ensures that international students receive the education and training for which they have paid.

The proposed amendment bill makes changes to the ESOS Act in response to an independent evaluation of the act. Importantly, the bill facilitates greater flexibility in relation to the investigatory roles to be undertaken by the Australian, state and territory governments in relation to the National Code of Practice for Registration Authorities and Providers of Education and Training to Overseas Students 2007. I will refer to this as the National Code 2007. Measures made possible by this amendment will enhance national consistency and minimise any perception of duplication in compliance monitoring by the designated authorities and the Australian government.

The bill extends the scope of the ESOS Act to include Christmas Island and Cocos (Keeling) Islands. The extension of the act fulfils the Australian government’s commitment to allow education providers operating on Christmas Island to apply to be registered to offer education and training services to overseas students. The amendment was de-
developed in consultation with the Australian government’s Department of Transport and Regional Services and the Western Australian government.

A further amendment removes the imposition of a financial penalty for late payment of the annual ESOS assurance fund contribution. The late payment penalty is administratively burdensome on the fund manager and not viable on a cost-benefit approach, as it does not act as a significant deterrent to providers. Non-payment of the fund contribution results in the suspension of a provider’s registration. This is considered a more effective mechanism to promote compliance with the payment of the annual fund contribution than the imposition of a financial penalty for late payment.

Protecting overseas students is important to maintaining the good reputation of Australia’s international education industry. One of the amendments to the ESOS Act stems from the changes to the national code 2007, which will mandate written agreements between education providers and overseas students. This will provide greater confidence in the quality of the consumer protection mechanisms available to overseas students under the ESOS legislation. Compulsory written agreements will also ensure that students have a greater understanding of not only their rights but also their obligations under the ESOS legislation.

For the first time, the bill will facilitate course delivery by arrangement across state boundaries. This amendment allows designated authorities to approve a formal arrangement for delivery of a course between two or more providers where the second or any additional provider is located in a state other than that of the registered provider. The amendment does not oblige the designated authority to approve the arrangement. It will allow providers to respond to skills shortages by delivery of an element of a course, including an industry placement in an environment where the student may acquire practical skills not available in the particular state or territory in which the course is registered.

The ESOS Act supports the integrity of Australia’s migration program by placing obligations on registered providers to recruit only genuine students and to monitor and report on breaches of visa conditions relating to attendance and course progress. A breach of these visa conditions may result in the cancellation of a student’s visa. The amendment recognises that education issues such as attendance and course progress should be resolved by an education provider rather than the Department of Immigration and Citizenship. The amendment is consequential to the implementation of the National Code 2007, which also strengthens the appeals processes available to overseas students in relation to decisions of their education provider.

This is the third group of amendments to the ESOS Act following the ESOS evaluation. The amendments introduced by this bill address industry concerns about the provision of courses across state boundaries under the ESOS Act and the perception of duplication in the roles and responsibilities of the Australian, state and territory governments under the act. Other amendments are consequential to the National Code 2007, or they clarify or update existing provisions.

All amendments are in keeping with the Australian government’s commitment to protecting overseas students and enhancing our reputation for high-quality education and training services through an effective regulatory framework. We are committed to ensuring that the quality and reputation of our $10 billion international education industry—our fourth-largest export—are maintained. I commend this bill to the House.
The DEPUTY SPEAKER (Hon. DJC Kerr)—The original question was that this bill be now read a second time. To this the honourable member for Capricornia 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
Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (1.42 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.
Bill read a third time.

COMMITTEES
Australian Commission for Law Enforcement Integrity Committee

Membership
The DEPUTY SPEAKER (Hon. DJC Kerr) (1.43 pm)—Mr Speaker has received a message from the Senate informing the House that Senators Bishop and Crossin have been appointed members of the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity.

AGED CARE AMENDMENT (RESIDENTIAL CARE) BILL 2007
Second Reading
Debate resumed from 21 March, on motion by Mr Pyne:

That this bill be now read a second time.

Ms ROXON (Gellibrand) (1.43 pm)—I rise today to speak on the Aged Care Amendment (Residential Care) Bill 2007. This bill is to amend the Aged Care Act 1997 to introduce a new arrangement for allocating subsidies in residential aged care called the Aged Care Funding Instrument, or the ACFI. The bill also changes the current arrangements, in which classifications expire after 12 months. It removes the requirement for providers to submit reappraisals but gives providers the option to reappraise a resident after 12 months. The amendments also allow a provider to accept a resident’s current classification when a resident moves from one home to another rather than being required to submit a new appraisal.

The Aged Care Act 1997, as it currently stands, allows the secretary to suspend a provider from appraising residents for funding purposes if the provider repeatedly fails to conduct appraisals or reappraisals in a proper manner. This amendment allows the secretary to stay the suspension subject to the provider meeting certain obligations. These obligations may include appointing an adviser at the provider’s cost or undertaking training. This is aimed at encouraging providers to conduct appraisals and reappraisals properly to avoid a suspension coming into effect.

The ACFI was designed to reduce the amount of documentation generated in aged-care facilities that is required by the Commonwealth to justify the funding classification for each resident. The reduction of paperwork for aged-care staff is welcome and trials indicate it will allow staff to spend more time on resident care, rather than filling in forms—something that I am sure everyone in this House believes is desirable. Despite that, as a number of concerns have been raised by the aged-care sector, Labor has referred the bill to the Senate Standing Committee on Community Affairs for inquiry. Following the inquiry, amendments may well be necessary in the other place.
I will go back to the history of the resident classification scale and the excessive documentation that has been required up until now. As the New South Wales Nurses Association has pointed out, the federal government’s aged-care reforms in 1997 and the introduction of the Aged Care Act 1997 resulted in increased regulation of the aged-care industry and the introduction of a complex funding instrument called the resident classification scale, or RCS, which made Commonwealth funding contingent on the completion of excessive documentation for each resident. The burden of completing this paperwork fell to registered nurses in aged-care facilities. It significantly increased their workload and reduced their ability to care for residents and provide support for the other care work in aged-care facilities. The government has been aware of the burden of that paperwork since its introduction in 1997, yet it has taken a full decade for it to actually do anything about it.

A review of the operation of this system, the resident classification scale, was announced on 9 May 2002. The review was commissioned to address industry concerns about the excessive documentation and new funding instruments were proposed and trialled. The aim of the new funding instrument was to have fewer basic funding categories than in the RCS and to include two new supplements to better target available funding towards the highest care needs. In particular, residents with dementia and challenging behaviours—and residents who had complex health and care needs, including palliative care—were included. The new supplements were to be implemented from within the basic subsidy funding, which is currently allocated by the RCS.

The government announced in the 2004 budget that it would implement a new funding system for residential aged care in response to recommendations from two reviews. Firstly, there was the review of pricing arrangements in residential aged care undertaken by Professor Hogan, the report of which was handed down in 2004. This made both short- and long-term recommendations to ensure the sustainability of the sector. Secondly, the new funding system was to reflect the principal recommendation of the resident classification scale review. Since the 2004 announcement, several projects and trials have been commissioned by the government to identify and test a new funding model. These trials were completed in October 2005.

The new ACFI, the Aged Care Funding Instrument, which was originally announced for introduction on 1 July 2007, has now been deferred. The former Minister for Ageing recently announced that the instrument would now be introduced on 20 March 2008 as part of the government’s securing the future package. It is felt by many in the aged-care sector that the introduction date of 20 March 2008 should have been deferred to 1 July 2008 to bring it in line with the financial year. This would make it easier for the sector to undertake analysis of their expected financial status after the ACFI is introduced.

This deferral was in response to the government’s February aged-care funding announcement, as I have mentioned—Securing the Future of Aged Care for Australians—where the subsidies will be assessed according to the new funding instrument. While the government’s new funding package was welcomed by providers at the time of the announcement, as more information and further analysis has been undertaken the aged-care sector has become increasingly concerned about the potential loss of funding and the impact on care provision, particularly in low-care facilities.

The Aged Care Association of Australia, which represents predominantly for-profit
providers, has called on the government to resolve the flaws in its package as a matter of urgency. I quote from Mr Young, who is the CEO of the Aged Care Association of Australia:

ACAA initially supported the package ... however an examination of the detail of the package has revealed that the Government has removed two supplements that will be worth nearly $300M in capital and care to providers over the life of the package.

He went on to say:

The removal of the supplements significantly undercuts the apparent merits of the package.

The removal of these supplements will have immediate impacts on the viability of many providers and the capacity of many to continue to provide existing levels of care ...

As it now stands, this is not the package the Government has been promising to deliver to the industry and older Australians for the past year or two following the Hogan Report ...

These are pretty serious comments from someone who is the CEO of the leading organisation in the aged-care sector for for-profit providers. Aged and Community Services Australia, ACSA, which represents the predominantly not-for-profit part of the aged-care sector, have stated:

Changes are required to the Australian Government’s package of aged care funding measures ... if they are to achieve their stated objectives without unforeseen consequences.

Greg Mundy, the CEO of ACSA, went on to say:

We were initially very pleased with the package but as more detail became available on the various offsets and trade offs contained within it, it became clear that the gains were modest and that there were significant negative impacts.

He continued:

Worse than this, many low care homes may actually be worse off under the proposed measures.

Again, that is a pretty serious allegation from this peak organisation. The Chief Executive of Churches of Christ Homes and Community Services in Western Australia, Wayne Belcher, has undertaken economic modelling on his aged-care services and has said that the government’s securing the future funding package ‘fails the test of reasonableness’. He said:

Upon reviewing the detail of the announcements, there is little average additional accommodation revenue gained. Indeed for our current mix of clients we anticipate losing approximately $860,000 over the next five years based on the full content of the package provided by the Department of Health and Ageing.

These losses are directly related to removal of a means tested fee for some new residents from our current operating subsidies from 20 March 2008, and also the removal of a pensioner supplement for many of our residents from our operating income to accommodation.

He went on:

Some organisations might fare better, but my view is that even after five years the offering is nothing better than an indexation of real costs—insufficient to service a loan for new buildings. We are in a position where we may no longer be able to support the cost of building a nursing home for Grandma.

He continued:

The Australian government has failed to meet its reasonable commitments to residential aged care funding through these recent announcements. So yet again we see another government announcement which is welcomed at the time but where the devil is in the detail. We now see three leading organisations in the sector being extremely critical of the approach that the government is taking.

In the Australian Financial Review on Wednesday, 28 March, further concerns were raised by the President of Aged and Community Services Australia, Glenn Bunney. He said that 10 days after the funding package...
was released he had seen the Department of Health and Ageing financial modelling that showed the ‘vast majority’ of aged-care home operators would be left worse off under the reforms. The government must now publicly release their financial modelling so that providers can assess their financial position and the public can determine whether the government has hoodwinked them over its $1.5 billion funding announcement.

As I said earlier, the date of commencement of the new ACFI, the Aged Care Funding Instrument, has been deferred to 20 March 2008. It is thought that this date has been chosen as it is the date that pensions rise in line with indexation. However, sector representatives advise that this is irrelevant to them, as care subsidies are not related to accommodation charges. This matter also needs to be pursued during the Senate inquiry. The level of funding to be allocated to each care level has not been provided by the government and aged-care providers are unable to make an assessment of the effect that the new instrument will have on their facilities’ financial operations. These issues also must be pursued during the Senate inquiry.

In conclusion, Labor is prepared to support the bill in principle in this place. However, we require that attention be given to the Senate inquiry and any recommendations that come from it to ensure that these matters can be resolved and any unintended consequences can be nutted out. In the interim, the aged-care sector also needs to know the subsidy levels that will apply to each level of the Aged Care Funding Instrument. The sector must be provided with this information so that it can undertake its own financial modelling on the impact that the government’s proposal will have on its services. I trust that the government, with the advisers who are here in the box today, will ensure that that information is made available so that a proper inquiry can be conducted into the impact of this bill and, when it is debated in the other place and no doubt returned here, we will have that information in front of us. I commend the bill to the House.

Mr BROADBENT (McMillan) (1.54 pm)—I am disappointed that the memory of the shadow minister—who was not here at the time—does not go back to the shambles left in aged care by the previous Labor government, as seen by me on one of my visits to this House between 1990 and 1993. If you want to talk about the blame game, Carolyn Hogg was in Victoria—this is from my Victorian experience—and Peter Staples was up here as Minister for Housing and Aged Care and they could not agree on anything. All over the place they had nursing homes without funded beds. It was a complete shambles. Who had to come in and fix it? The Howard government came in and said, ‘We will deal with aged care.’ At that time, about $2 billion was being spent by the previous Labor government; now we are up to about $6½ billion being spent by the Howard government.

In conclusion, Labor is prepared to support the bill in principle in this place. However, we require that attention be given to the Senate inquiry and any recommendations that come from it to ensure that these matters can be resolved and any unintended consequences can be nutted out. In the interim, the aged-care sector also needs to know the subsidy levels that will apply to each level of the Aged Care Funding Instrument. The sector must be provided with this information so that it can undertake its own financial modelling on the impact that the government’s proposal will have on its services. I trust that the government, with the advisers who are here in the box today, will ensure that that information is made available so that a proper inquiry can be conducted into the impact of this bill and, when it is debated in the other place and no doubt returned here, we will have that information in front of us. I commend the bill to the House.

Mr BROADBENT—It was a shambles; it is no longer a shambles. Actually, this government should be congratulated for the things it has done. The new Minister for Ageing will be a great advocate for those in the aged-care sector, whether they be the instruments of delivery of services or those who work within the industry itself.

This legislation is quite dear to me. As a local member, the first thing that is said to me when I go into a nursing home or a hostel is, ‘Russel, we want to take you aside for a minute. We cannot stand the red tape that we have to fill in on behalf of our residents all the time.’ I guarantee that not one member in this place has not had that complaint from people who have to deliver these services. I
remember visiting Fairview homes with Vicky May and former Minister Bishop. The priority of the day for those committed people in that hostel was to let the minister and me know that they wanted changes to the forms they had to fill in for new patients or those changing their residence. I boldly said, ‘I believe that we can address this matter,’ and I took it to the minister at the time. What are backbenchers, if anything, but a bridge from the backbench to the executive? In that minister, we had someone who listened and who was prepared to put together legislation like this, which makes a huge difference to those who work in the aged care sector.

It is impressive that the Howard government has been so forthright in bringing in this new minister. I note that the Minister for Ageing stated in the Adelaide Sunday Mail:

It has been a whirlwind week for me as the new Minister for Ageing. The size and depth of the portfolio is challenging but exhilarating.

He goes on to cite some very interesting figures. He says:

By 2051 Australia’s population is expected to reach 28 million—an increase of 37 per cent from today.

Over the same time the number of people over 55 is expected to increase by 113 per cent—from five million to 10.7 million.

The change will be even more marked among people aged 85 or over. At present they represent about 1.4 per cent of the population, by 2051 they will likely account for between 6 per cent and 9 per cent.

In Australia our median age will rise from 35.4 years in 2000 to 46.7 years in 2050. That means there will be as many people over 46 or 47 as there are under that age.

Six years ago the Government announced a whole-of-government approach to the ageing of Australia’s population, and it has been pursuing it ever since.

I will continue my remarks on those figures later. But, to continue reading from the article, the new minister said:

Under Labor there were fewer than 5000 community aged care packages available across Australia ...

This is what I am talking about: when the Howard government came into office, aged care was in a shambles and they were not given the opportunity, like these people, to stay in their home. The Howard government took those 5,000 community aged care places and added to them and, by 2010, there will be 50,000 community aged care places—that is, 50,000 people who will be able to stay longer in their home. In my seat of McMillan we have more than the average number of older people than there are across rural Victoria, so I know the importance of being able to give older people the opportunity to remain in their home for as long as possible. This is what they choose to do. I would recommend to the House that they find this article in the Sunday Mail and read it very carefully—

Government member—It is a very fine piece.

Mr BROADBENT—It is a very fine piece.

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

MEMBER FOR FREMANTLE: RETIREMENT

Mr RUDD (Griffith—Leader of the Opposition) (2.00 pm)—Mr Speaker, on indulgence, I would like to note the announcement earlier today from the member for Fremantle that she will not be standing at the next federal election. At this point, I would simply like to acknowledge her contribution...
to this House and to the nation. We will have further formal ways of acknowledging her contribution at a later time.

**LEAVE OF ABSENCE**

Mr Rudd (Griffith—Leader of the Opposition) (2.00 pm)—Mr Speaker, also on indulgence, I would like to note that the member for Kingsford Smith, the shadow minister for climate change, will be late for question time today, as he is returning from delivering the keynote address at the Clean Coal 2007 Conference in Brisbane.

**QUESTIONS WITHOUT NOTICE**

**Carbon Trading**

Mr Rudd (2.00 pm)—My question is to the Prime Minister. Will the Prime Minister outline for the House how he will set a price on carbon for Australia?

Mr Howard—It is not for a government to set a price on carbon; that is for the market to do.

**Economy: Tax Reform**

Mr Ciobo (2.01 pm)—My question is addressed to the Treasurer. Would the Treasurer outline to the House the benefits tax reform has brought to all Australians? Are there any proposals that threaten these benefits?

Mr Costello—I thank the honourable member for Moncrieff for his question. When this government reformed the tax system in 2000, it introduced a broad based goods and services tax to replace a number of inefficient indirect taxes. The taxes that the GST was designed to replace were wholesale sales tax, bed tax, financial institutions duty, stamp duty on marketable securities, bank account debits tax, stamp duty on non-quoting market securities, stamp duty on leases, stamp duty on mortgages, stamp duty on credit arrangements, stamp duty on cheques and stamp duty on non-residential conveyance of real property. Since the Commonwealth introduced the goods and services tax, the states have agreed to abolish nearly all of those taxes. But the states still refuse to abolish stamp duty on non-residential conveyance of real property. As far as the government is concerned, the GST was introduced to get rid of other taxes—not in addition to other taxes. The people of Australia deserve to have all of those taxes abolished. That is something that the Commonwealth will require the Labor states to do.

The Labor states have commissioned a report on federalism and the GST. I managed to get hold of it today. It has been produced by Glenn Withers and Anne Twomey, I believe.

Mr Bowen—that wasn’t too hard. It was on the front page of the paper.

Mr Costello—Yes, it was on the front page of the paper. And it was a very accurate report on the front page of the paper, too, about a Labor state plan to increase the GST rate. I am glad I was reminded. You will see many of the Labor spokesmen stand with their backs to me at this point.

The Speaker—Order! The Treasurer will resume his seat. I would remind all members of standing order 62. Members should resume their seats rather than just stand around.

Mr Costello—I have got hold of this report, which was commissioned by the Labor state premiers. It says, ‘If the Commonwealth had been serious about giving the states fiscal autonomy, it would have ensured the states had access to revenue that covered and eventually exceeded the loss of financial assistance grants’—which we did—‘the loss of financial assistance grants’—which we did—‘and specific purpose payments.’ A 10 per cent GST covers the abolition of state taxes and financial assistance grants. But the premiers say that that was not serious enough and that it should have also covered the loss of spe-
specific purpose payments. Let me inform the House that specific purpose payments from the Commonwealth to the states are at $29 billion. In order for the GST to cover specific purpose payments, the GST rate will have to increase to 17.2 per cent. That is the report which has been commissioned by the state premiers—a report that says we should have been serious enough to introduce a 17.2 per cent GST to cover specific purpose payments.

Let me make this clear: there is only one way that the GST can be increased in Australia. It can only be increased if every state and territory wants it, if the Commonwealth agrees to it and if it is legislated through the House and the Senate. We now have eight Labor state premiers and chief ministers. If there were an increase in the GST, they would get all of the revenue. They have a very strong incentive for an increase in the GST rate. This government will not agree to any increase in the GST because we believe that the states already have sufficient revenue—which they are not properly accounting for—and we are not going to increase it. But if we had a new federal government with a majority in this House—which it would have by definition—and in the Senate, then that new federal government, with the agreement of the states, could increase the rate of the GST.

You would then have the situation, if the Leader of the Opposition becomes Prime Minister, where you would have an inexperienced Prime Minister with eight premiers and chief ministers, all with a lot more clout and experience than him, putting the weights on him for an increase in GST, which they would get the benefit of. There would be no checks; there would be no balances. I have said in this House before: when the state premiers say ‘jump’, the Leader of the Opposition cannot jump high enough.

Whether it is in relation to royalties demanded by the Western Australian government, whether it is in relation to infrastructure demanded for the Gold Coast by his candidate, Eddy, the other day or whether it is in relation to a whole host of other state demands, the risk of Mr Rudd being Prime Minister is the risk of an inexperienced person being beholden to the demands of eight Labor premiers and chief ministers, who have commissioned a report saying that they believe the GST should give them enough to cover specific purpose payments—and that is a 17.2 per cent GST. This is the risk with an inexperienced Leader of the Opposition becoming an inexperienced Prime Minister: that the Labor Party would be able to have its way—and the Labor Party, in government at every level, would be able to increase the GST.

DISTINGUISHED VISITORS

The SPEAKER (2.09 pm)—I inform the House that we have present in the gallery this afternoon members of the Legal, Constitutional and Administrative Review Committee of the Queensland Parliament. On behalf of the House I extend a very warm welcome to the members.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Carbon Trading

Mr RUDD (2.09 pm)—My question again is to the Prime Minister. I refer to the Prime Minister’s statement this morning when he said: ‘I think a price on carbon is an important element of getting a grip on this thing’—meaning climate change. The Prime Minister went on to say: ‘Unless you have some kind of carbon pricing signal, you can’t begin to see the sensible introduction of clean coal technology.’ Prime Minister, what do you have in mind in terms of the structure of the market you intend to construct that will set the price for carbon? In that context,
will you rule out a cap-and-trade emissions trading system?

The SPEAKER—Order! The Leader of the Opposition knows that he should not use the words ‘you’ or ‘your’. I call the Prime Minister.

Mr HOWARD—For the information of the Leader of the Opposition, governments do not construct markets; markets are developed by people who buy and sell goods and services. That has been the truth for many generations and it will continue to be the truth. But, as the Leader of the Opposition knows, currently there is a task force comprising the most senior bureaucrats in the federal government and leaders of companies, both resource companies and power generation companies, looking at the possible shape of an emissions trading system. On that emissions trading system that might operate in Australia, having regard of course to the interface with the international community, I expect to have the benefit of that report by some time in May. I think it is proceeding in an orderly fashion. I am sure it will be an informed report. I would say to the Leader of the Opposition that he can read the report as much as I can and he can draw his own conclusions.

Deforestation

Mr BROADBENT (2.11 pm)—My question is addressed to the Minister for the Environment and Water Resources. Would the minister inform the House of the Australian government’s efforts to reduce deforestation globally?

Mr TURNBULL—I thank the honourable member for his question. Deforestation is the second biggest contributor to greenhouse gas emissions in the world today. It has been largely overlooked by the United Nations Framework Convention on Climate Change. It is not factored into the Kyoto protocol. As a consequence deforestation continues apace. Action is needed to breathe new life into the forests, which are after all the lungs of the world.

The Australian government—the Prime Minister, the Foreign minister and I—announced today a $200 million program to kick-start a global initiative on forests and climate change. This is designed to support new forest plantings, limit destruction of the world’s remaining forests and promote sustainable forest management, which is so essential not simply to battling climate change but to relieving poverty in developing countries.

We will be building the technical capacity of developing countries, particularly those in our region, to assess their forest resources, putting in place the effective regulatory arrangements to protect forests and to promote the sustainable use of forest resources.

We will be working with like-minded countries both in the developed world, like the United States and the European Union, and in the developing world, in particular our neighbour Indonesia, which is the second-largest deforester in the world because of its large tropical forests—a nation which has been criticising the failure of the Kyoto protocol to address deforestation and which will welcome the initiative that we are taking today.

This initiative is the beginning of the opportunity to build the momentum to breathe new life into the lungs of the world. We cannot wait for the Kyoto protocol framework to catch up with this anomaly. We must deal with it now, and we will.

Carbon Trading

Mr RUDD (2.13 pm)—My question again is to the Prime Minister. Will the Prime Minister rule out the establishment of a cap-and-trade emissions trading system to set a price for carbon?
Mr HOWARD—I am not going to rule things in and out in advance of getting the assessment of the expert committee that has been established. This expert committee is made up of the best brains in the federal Public Service. There is a considerable store of talent there. The group, chaired by the secretary of my department, includes the Secretary of the Treasury, other very senior public servants—all of whom have got a big contribution to make—and leaders of industry. I think they should be allowed to take submissions and then to provide some advice.

But I can tell you what I can rule out: I can rule out embracing responses to climate change that are going to damage the Australian economy. I refer all those who sit opposite to page 71 of today’s Melbourne Sun-Herald, to an article by Mr Terry McCrann in which he says, ‘The Leader of the Opposition proposes to damage the Australian economy in the short term and to destroy it in the long term.’ That is a very interesting description from Mr McCrann of the impact of the climate change policies that the Leader of the Opposition has embraced.

The Leader of the Opposition has embraced a policy of cutting by 30 per cent greenhouse gas emissions in Australia by the year 2020. So in 13 years we are meant to cut our greenhouse gas emissions by 30 per cent. Anyone with an atom of common sense would know that that would visit enormous dislocation on the Australian economy and would throw thousands of people in the coal industry out of work. I have to ask the rhetorical question: why does the Labor Party have it in for the coal industry of Australia? Why does it have as an environmental spokesman somebody who is very sceptical about the expansion of not only the uranium industry in this country but also the coal industry? Let me say to the Leader of the Opposition: I will certainly rule out knee-jerk reactions that are going to greatly damage the Australian economy, reduce our international competitiveness and rob hardworking Australians of their jobs. I will rule all of those out.

As to the form of any carbon trading system, we have set ourselves a path of getting some advice from people who know about that. I intend to wait until I get that advice before committing myself to the specifics of what form that system might take.

Climate Change

Mr BARRESI (2.16 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on international efforts to combat climate change through the global initiative on forests and climate, AP6 and our engagement with China?

Mr DOWNER—Firstly, I thank the honourable member for Deakin for his question and for his interest. I know that he, along with other members on this side of the House, understands only too well that Australia has credibility on this issue because we not only believe the issue of greenhouse emissions needs to be addressed—and addressed internationally—but also know that no country wants to address the issue in a way that will destroy its economy or undermine its economic prospects. When you are dealing with developing countries, that is a particularly important formula to understand. A lot of ideological ranting at developing countries is going to yield a response about patronising Westerners who do not care about poverty in the Third World—and understandably so.

We are leading positive international action to address the issue of climate change. The initiative that was launched today by the Prime Minister, the Minister for the Environment and Water Resources and I—the Global Initiative on Forests and Climate—is a very good illustration of a practical Austra-
lian approach to this problem. As the minister for the environment has said, we are putting $200 million into this project, which will have a very major impact on new forest planting, on limiting the destruction of existing forests, on promoting sustainable forest management—which in many developing countries is a very important priority—and, of course, on encouraging, as we must, contributions to this project from a range of other countries.

We have had discussions with Britain, the United States, New Zealand and Germany about the global initiative, and the responses we have had have all been very positive. Not surprisingly, developing countries which are likely to be beneficiaries—in particular, Indonesia—have responded very favourably as well. AusAID will be able to build technical capacity to assess and manage forest resources, particularly in Indonesia and Papua New Guinea, and help those countries to put in place robust regulations and a law enforcement framework to protect forests and, in particular, to counter illegal logging.

As the honourable member suggested in his question, we have other initiatives as well. The historic initiative launched in Sydney in January of last year, the Asia-Pacific Partnership on Clean Development and Climate, has got off to a very strong start. I think the $60 million that we have so far committed as a first tranche—we have committed more than that but that was the first tranche of spending—to AP6 is going to achieve real and practical outcomes in concert with other countries which are part of the initiative.

Next week I will be in China. During my visit to China, one of the issues that I will be focusing on is climate change and CO₂ emissions. As is well known, it is estimated that China’s CO₂ emissions are to exceed those of the largest emitter, the United States, by 2009. So engaging China in the architecture of dealing with climate change is crucially important. We already have China as part of the AP6 initiative, and the Prime Minister and Chinese Premier, Wen Jiabao, recently announced the Australia-China Joint Coordination Group on Clean Coal Technology. I look forward to discussing with my Chinese counterparts the whole issue of reforestation and protecting existing forests, because that is obviously a significant issue for China.

This is the sort of diplomacy that can yield real and substantial outcomes and declines over time in CO₂ emissions while allowing countries, including developing countries, to continue economic growth, to protect and create still more jobs and to build the prosperity of their people. That is the balance that all of us in the international community have to achieve. If I may say so, it is a lot better to approach this issue in that mature and constructive way than with the kind of ideological ranting that we hear from the other side of the House.

Climate Change

Mr RUDD (2.21 pm)—My question is again to the Prime Minister. Given the Prime Minister is not ruling out a cap-and-trade emissions trading market for Australia, does it follow that the Prime Minister is therefore not ruling out a legally enforceable carbon target for Australia, as one follows from the other?

Mr HOWARD—What I am saying is simply this: when we get the report of the expert group we will analyse it and provide a response. If the Leader of the Opposition wants me to rule things out, I am very happy to do so. I am going to rule out destroying jobs in the coal industry, I am going to rule out walking away from the workers of central Queensland, I am going to rule out walking away from the workers of the Hunter Valley of New South Wales, and I am going...
to rule out walking away from the workers of the Illawarra. Just as I ruled out walking away from the forestry workers of northern Tasmania in 2004, I can promise the coal-miners of Australia that the coalition will remain their best friend.

Mr David Hicks

Mr Cameron Thompson (2.22 pm)—My question is to the Attorney-General. Would the Attorney-General advise the House whether there are arrangements in place to allow David Hicks to serve out his sentence in Australia if necessary?

Mr Ruddock—I thank the honourable member for Blair for his question, because there have been some developments about which I should inform the House. The International Transfer of Prisoners Act 1997 facilitates the transfer of prisoners between Australia and certain countries with which we have entered into agreements. The Australian government obtained undertakings from the United States to develop such an arrangement to facilitate the return of citizens, in particular Mr Hicks, serving any sentence that might be imposed by a military commission and to serve that sentence in Australia if necessary.

I note that the Leader of the Opposition, when he was asked whether he would honour any sentence, uncharacteristically, I suppose it might be said, declined to give an answer, saying that he would seek advice from the Attorney-General’s Department. It is interesting that he needs advice on matters before coming to a view. Perhaps I could be forgiven for having come to a view that the Leader of the Opposition thought the Prime Minister should form views without advice. I simply make the point, and I assure the member for Griffith that the arrangement with the United States is such that only the United States can pardon a prisoner.

I spoke earlier this week with the Premier of South Australia, Mr Rann, and I explained to him the law dealing with the handling of Commonwealth prisoners. I note that he indicated that he would be positively disposed to an application from Mr Hicks to serve out any sentence in South Australia if that situation arose. The Australian government will of course work quickly to progress any application if that situation arises.

Climate Change

Mr Rudd (2.26 pm)—My question is to the Prime Minister and follows on to his answers to my previous questions. I ask the Prime Minister whether he has read the submission to his emissions trading task group from the Business Council of Australia, which says:

Countries will need to agree to a binding emission reduction with both immediate and long term targets and target pathways in between if an environmental impact is to be achieved.

And it goes on:

The long term targets need to link to commercial investment horizons, so that investment decisions are sensibly informed.

Does the Prime Minister understand that the business community needs long-term emis-
directions targets to give it certainty for investment?

Mr HOWARD—The direct answer to the first part of the question is no, I have not read that particular submission, but I am generally aware of the views of the Business Council and they are being fed into this process. As I said earlier, I will await the conclusions of the task force and the government will respond appropriately.

Superannuation

Mr McARTHRU (2.27 pm)—My question is addressed to the Treasurer. Would the Treasurer inform the House of the reason that superannuation funds cannot be used to fund political promises? Is the Treasurer aware of previous proposals to raid superannuation accounts? What was the response to those plans?

Mr COSTELLO—I thank the honourable member for Corangamite for his question. The purpose of superannuation is to build up savings during a person’s working life so that when they cease working and do not have an income they can draw down on those savings to look after themselves. In the private sector an employer puts aside money every time they pay you, and it goes into a superannuation fund and you cannot touch it until the preservation age. It can be drawn down when you need to draw down on savings.

The Commonwealth government has never put aside money to pay for superannuation for its employees. As a consequence, we currently have an unfunded liability of about $100 billion, and that is growing. A very large component of that is Australia’s defence forces. The men and women of Australia’s defence forces are, of course, entitled to superannuation, but that is unfunded. This government is building savings to ensure that those liabilities can be paid when they fall due. In doing that, we will make sure that we do not transfer the debts of today to the children of tomorrow.

This is what Liberal and National Party policy is all about: doing something for future generations, not passing on generationally transmitted debt but making sure that this generation funds its debts and passes on opportunity to young Australians, and it is young Australians that we really want to help with the removal of Labor debt and with saving for the future. If you take money from future generations to pay for your election promises, at the end of the day the election comes and the election goes and the liability is still there and unfunded. Anybody who knows anything about superannuation knows that superannuation has to be a locked box. We have no higher authority for that than the member for Lilley himself, who is on the record time after time after time demanding that the Future Fund be a locked box.

All the states are now funding superannuation to greater or lesser degrees. Apart from Mr Brian Burke, who tried to get hold of Western Australian superannuation to prop up Rothwells Bank, no state government has tried to raid its superannuation fund to date. But there have been proposals, and I came across a proposal in September 2005, where various business groups went to the Victorian government and asked it to draw down on the superannuation fund for the biotechnology industry—a very good cause, the industry of the future. Business asked the Victorian government to direct its superannuation funds into the biotech industry. In response, Treasurer John Brumby told the Age:

The premier and I are as one on this issue.

... ... ...

The state will not be requiring any superannuation funds to invest in the biotech industry. Full stop. ... We don’t mandate at a federal or at a state level what superannuation funds should invest in.
That is quite right—and a very good decision. I am reminded that the member for Lalor was a one-time chief of staff to Mr Brumby. Let me say this: John Brumby was right; Victoria was right. Once you start using superannuation funds for hobby horses of politicians, everybody is at risk, not just state superannuation funds, not just private sector superannuation funds, but the Commonwealth as well. The Future Fund was not built up for Labor Party election promises. It was built up for the men and women of Australia’s defence forces, and it was built up for future generations.

This Leader of the Opposition will come and he will go, but if he is remembered as the person who established the principle no other state has yet breached—that it is legitimate for political parties to raid superannuation funds for their election promises—he will have done this country a great disservice. This should never happen—and, if the coalition is elected, it will not happen. But if the Labor Party gets its way superannuation throughout Australia will be at political risk.

Climate Change

Mr Rudd (2.33 pm)—My question is addressed to the Prime Minister. Is the Prime Minister aware of analysis cited in the report of the Australian Business Roundtable on Climate Change that a two- to three-degree Centigrade increase in the temperature could (1) bleach 97 per cent of the Great Barrier Reef, directly threatening a $1.5 billion tourism industry; (2) reduce livestock-carrying capacity by 40 per cent, directly threatening $17 billion in livestock exports over time; and (3) reduce water flows in the Murray-Darling by 15 per cent, resulting in reduced irrigation and a decline in GDP of three-quarters of a billion a year. In the light of these disturbing projections cited by business, why won’t the Prime Minister direct the Treasurer to commission detailed modelling of the impact of climate change on the Australian economy and on jobs?

Mr Howard—I will direct the Leader of the Opposition’s attention to the ABARE study, which spelt out in detail the implications of a 60 per cent reduction by the year 2050. I would invite—I would not be so presumptuous as to direct—the Leader of the Opposition to use common sense and extrapolate that and imagine what the implications are of the other proposition he has embraced, and that is a 30 per cent reduction by the year 2020.

What the Leader of the Opposition is arguing is that in a bare 13 years we cut by 30 per cent our consumption of electricity and that we cut by 30 per cent our use of motor vehicles and trucks, our agricultural activities and all the other things that contribute to greenhouse gas emissions. That would do great damage to the Australian economy. It would cost tens of thousands of jobs, particularly in the coal industry. It is a scenario that I do not embrace. While ever this government remains in office we will not sell out the medium and longer term interests of the Australian economy and the medium and long-term interests of Australian workers for a particular commitment to a specific target. What we on the contrary will embrace is an approach that in a practical way, as outlined by the Minister for the Environment and Water Resources, tackles the problem of deforestation around the world. Deforestation in fact contributes more to greenhouse gas emissions than does the entirety of the contribution of the transport sector. If we were able to achieve even modest outcomes in relation to deforestation, the greenhouse gas emissions eliminated thereby would far exceed those postulated by the implementation of the Kyoto protocol. What we need in relation to climate change are decisions taken by people who have been tested by experience and who understand that you need a balanced
approach which produces a measured reduc-
tion in greenhouse gas emission but not at
the price of destroying thousands of jobs for
Australian workers, particularly in the coal-
mining industry.

Private Health Insurance

Mr NEVILLE (2.36 pm)—My question
is addressed to the Minister for Health and
Ageing. Would the minister advise the House
what steps the government has taken to make
private health insurance a more attractive
option for families? Are there any alternative
policies? What is the minister’s response to
them?

Mr ABBOTT—I thank the member for
Hinkler for his question, and I am happy to
inform him and the House that the govern-
ment’s broader health cover legislation has
just passed through the parliament. That is
very good news for the 59,000 people in
Hinkler who enjoy the benefits of private
health insurance. I confess that this is com-
plex legislation, but there are two significant
changes that it brings about. Firstly, the pri-
vate health funds will be able to cover from
their main tables out-of-hospital treatment
that reasonably substitutes for or prevents in-
hospital treatment.

Secondly, the funds will be required to
provide much greater information about their
products, and the Private Health Insurance
Ombudsman will provide a comparative
product website to enable patients to make
more informed choices about the particular
product which best suits them. Over time,
these changes should mean that private
health insurance is a more customer-friendly
product, a more patient-friendly product, and
that should build on the nine million Austra-
lians who currently enjoy the security and
choice which private health insurance brings.

I have to say that everyone knows where
the Howard government stands on private
health insurance. We believe that a strong
private health system is an essential com-
plement to a strong public health system, to a
strong Medicare system. But no-one knows
where members opposite really stand. What
we do know is that, deep down, members
opposite hate private health. Deep down,
they hate private health, and if they ever got
the chance, they would rip the guts out of
private health insurance by abolishing the
private health insurance rebate or by means
testing.

Opposition members interjecting—

Mr ABBOTT—They say, ‘Rubbish!’
now. That is not what they will say when
they have the chance to give a considered
opinion. The member for Gellibrand, the
shadow health minister, said that the gov-
ernment should spend less on private health
and it should instead spend more on public
hospitals. Do you deny that, do you? What
did you say?

Ms Roxon—Mr Speaker, I rise on a point
of order. The point of order is on relevance. I
would ask that the minister confine himself
to what I said in the debate.

The SPEAKER—The minister is answer-
ing the question. I call the minister.

Mr ABBOTT—Bill Shorten, the incom-
ing member for Maribyrnong, recently called
the private health insurance rebate:

... a subsidy to the rich.

He said it created:

... a bonanza for the multinational insurance com-
panies.

Just last week in the Senate, Senator Sterle—
who I believe is a new senator from Western
Australia; he is probably Burkie’s latest addi-
tion to the Western Australian contingent in
this parliament—said of the private health
insurance rebate that it was ‘a monumental
failure’, ‘shonky’ and ‘a monstrous failure’.

That is what those opposite say about the
private health insurance rebate. How can
they credibly expect anyone to believe that they would not rip the guts out of it if they had the chance in government? How can they say they support something which they are constantly criticising? What all this means is that, when it comes to private health, you just cannot trust Labor. I know that the Leader of the Opposition does not like being called Dr Death, but how can we be sure that he will not kill the private health insurance rebate stone dead?

**Water**

Mr WINDSOR (2.41 pm)—My question is to the Prime Minister. It relates to the Commonwealth’s $10 billion water plan. Prime Minister, will communities in New South Wales be able to apply for funding for upgrades to infrastructure such as dams when urban users, irrigation users and environmental flows will be the beneficiaries? Could the Prime Minister also update the House on the tax ruling for those groundwater users who are currently being taxed on payments for water loss?

Mr HOWARD—In relation to the last part of the question, I cannot update the House because I am not the taxpayer and, as the member knows, the secrecy provisions of the taxation act prevent my knowing the details. The New South Wales government knows the details, and I suspect that the member for New England is closer to the New South Wales government than I am. Perhaps, therefore, through you, Mr Speaker, he would be able to obtain an indication from the New South Wales government.

I am quite surprised, given the importance of this issue to the communities affected, that we do not know what the tax office has communicated to the New South Wales government. I do not blame the tax office for that; I blame the New South Wales government. I think the New South Wales government has deliberately played around with this issue. It played around with it before the New South Wales election and it continues to play around with it. I want the issue resolved, and I assume the member for New England wants the issue resolved.

The person who really drove a proper re-examination of this issue is the member for Gwydir, the former Leader of the National Party. He organised a delegation of irrigators to my Sydney office almost a year ago. They persuaded me that the whole cast of the approach being taken in relation to this matter by the New South Wales government, which was denying the capital nature of the transaction, was completely wrong. I hope the substance of the communication to the New South Wales government from the tax office reflects that, but I do not know. And I cannot know without the permission of the taxpayers. The member for New England knows that I cannot know, and he must have had that in mind when he asked me the question.

In relation to the first part of the question asked by the member, the design of the scheme is that there are really two elements. The first element is to provide infrastructure investment to restore the irrigation systems of this country. I do not rule out the second part, which involves buying back of water overallocations, buying back of excess water entitlements. I do not seek at this stage to be totally prescriptive as to what form that assistance might take, but that is the general design of the scheme.

**Zimbabwe**

Mrs MOYLAN (2.44 pm)—My question is to the Minister for Foreign Affairs. Would the Minister explain to the House Australia’s response to events in Zimbabwe?

Mr DOWNER—First, can I thank the honourable member for Pearce for her question and her interest. I think people from Zimbabwe reside in her own electorate, so she has a real interest in this. The barbaric
actions of the Mugabe regime in Zimbabwe just continue. Overnight, Morgan Tsvangirai, who is the Leader of the Opposition in Zimbabwe, was detained by Zimbabwean authorities. The headquarters of his party, the MDC, were raided. This is part of a campaign of intimidation by President Mugabe. It is a campaign of intimidation which is not just being resisted by a courageous opposition in Zimbabwe; it is an opposition which will be supported by many in the international community.

This kind of behaviour is not going to cover up the complete destruction by President Mugabe and his cronies of that beautiful country. Their vindictive brutality is designed to hide their shameful incompetence. Our ambassador and our embassy in Harare have been monitoring the situation closely and have been constantly reporting to us. We will continue to argue our case for a free and democratic Zimbabwe, not one which is beholden to a leader like President Mugabe.

The Prime Minister and I have said on a number of occasions that we are encouraging the African leadership more generally to do what it can to place more pressure on ZANU-PF, President Mugabe’s party, to resolve these problems in Zimbabwe. Yesterday the Prime Minister and I met with the President of Uganda and the Minister of Foreign Affairs. We took the opportunity, the Prime Minister in particular, during lunch with him to press our case on Zimbabwe. I hope that the President of Uganda will take that message back not just to his own country but to leaders around Africa.

Today, 29 March, the heads of government of the Southern African Development Commission are meeting—there are 14 countries in SADC—and I believe they are going to discuss the crisis in Zimbabwe. I very much hope that SADC will deliver a strong message to President Mugabe, telling him that his brutal tactics are no longer tolerated and that far-reaching political and economic reform is desperately needed.

I mentioned a couple of days ago that we are setting up an Australian fund for Zimbabwe to alleviate some of the worst impacts of President Mugabe’s economic failures. We are also doing what we can to support the political and civil rights of ordinary Zimbabweans through our support for non-government organisations and other civil society activities. We will also be keeping in place our targeted sanctions to apply maximum pressure on the Mugabe regime. We very much hope that a broader range of countries than already is the case will support sanctions against the Mugabe regime.

I have talked about this issue from time to time over the last couple of weeks, because I think for many Australians what is happening in Zimbabwe simply appals them. Our country, a significant country in the international community, needs to be at the forefront of ideas and action to put pressure on ZANU-PF, President Mugabe’s political party, and encourage President Mugabe to stand down.

**Workplace Relations**

Ms GILLARD (2.49 pm)—My question is to the Minister for Employment and Workplace Relations. I refer the minister to the investigation by the Office of Workplace Services into the offering of Australian workplace agreements to approximately 150 casual employees of the chocolate company Darrell Lea. Minister, isn’t it the case that the Office of Workplace Services is investigating only the process Darrell Lea undertook in offering these AWAs, not the content of the AWAs—which is legal under Work Choices?

Mr HOCKEY—It would be entirely inappropriate for me to make passing comment on investigations currently underway by the Office of Workplace Services.
Workplace Relations

Mr KEENAN (2.50 pm)—My question is also addressed to the Minister for Employment and Workplace Relations. Would the minister inform the House of the importance of workplace reforms for continued economic growth? Are there any threats to this growth?

Mr HOCKEY—I thank the member for Stirling for the question. I note that, in 1996, the unemployment rate in Stirling was 9.4 per cent, and today it is 5.2 per cent. Good news there, Mr Speaker! The economic reforms of past years have helped to deliver a strong economy today, and today’s reforms help to deliver a strong economy for tomorrow. All the reforms undertaken by this government—such as getting the budget back into surplus, paying off $96 billion of Labor government debt, taxation reform, reform of the waterfront—have been opposed by the Labor Party. More recently, the Labor Party has opposed the Future Fund—

Mr Costello interjecting—

Mr HOCKEY—and now want to raid the Future Fund, as the Treasurer reminds me. All of those initiatives, including the changes to workplace relations, have helped to deliver a stronger economy. One of the most significant groups which has benefited from the changes to workplace relations has been women. Since March 2006, when Work Choices was introduced, employment for women has risen by 113,500 jobs. Most significantly, 87 per cent of those 113,500 jobs have been full-time jobs. Since March 1996, the participation rate of women in the workforce has increased from 53.7 per cent to 57.6 per cent. The wages of women in the workforce have increased in real terms by more than 22 per cent. That is pretty positive stuff.

Everyone is wondering what the Labor Party’s policy is on workplace relations. You should not have to go too far because the chief spokesman for the Labor Party, Greg Combet, and his deputy, Sharan Burrow, are out there every day defending the Labor Party’s workplace relations policy, which is to reintroduce pattern bargaining, reintroduce the unfair dismissal laws, centralise the industrial relations system and so on. We have heard a bit of speculation recently that the Leader of the Opposition is seeking to manufacture a ‘Blair moment’ at the national conference—that is, to set up a straw man and then knock him over. He is going to pretend that he is being tough on the unions. I wondered to myself, ‘What is a Blair moment?’ I went back to what I think is a pretty impressive speech from Tony Blair at the Trades Union Congress, Brighton, on 9 September 1997. That was 10 years ago. In that speech Tony Blair commits to reduce tax—of course, the Labor Party oppose that. He commits to welfare to work—and the Labor Party in Australia oppose that. He said:

We will keep the flexibility of the present—labour—market. And it may make some shiver, but ... in the end it is warmer in the real world.

He is saying that he is going to keep the reforms of the Tory government, the Thatcher government, and continue them because they are in the best interests of the workers of Britain. If that is a Blair moment, we cannot expect that from Kevin. The Leader of the Opposition speculated on what ‘a Kevin’ is. We know what a Kevin is: it is Sharan Burrow putting a half-nelson on the Leader of the Opposition. We know what a Kevin is: it is Sharan Burrow putting a half-nelson on the Leader of the Opposition. That is a Kevin. He is going to pretend that it is him putting a half-nelson on Sharan Burrow.

Mr Albanese—Mr Speaker, I rise on a point of order, which goes to standing order 64.
The SPEAKER—I have been listening carefully to the minister. I believe he is in order. I call the minister.

Mr HOCKEY—What we do know, as the member for Stirling would know, from the well-written editorial in the *Western Australian* today is:

His—

meaning the Leader of the Opposition—

failure to break ranks with the unions locks him into a regression to industrial turmoil, which ACTU secretary Greg Combet has referred to as the good old days when unions ran the country. Even if it was intended as a joke, it was revealing of union ambitions and demands of a possible Labor government.

It is not the Australian Labor Party; it is the Australian union party. It is funded by the unions, its policy is written by the unions and, significantly, the union bosses are coming into parliament to replace all the patsies here.

Workplace Relations

Ms GILLARD (2.55 pm)—My question is again to the Minister for Employment and Workplace Relations. I again refer the minister to the Darrell Lea Australian workplace agreements—these workplace agreements I am holding up here—and the fact that these AWAs do not provide an increased casual hourly rate of pay from the existing rate of pay and do not provide for a pay increase over the five-year life of the agreement, while they do reduce the Saturday rate of pay, scrap Sunday penalty rates and scrap public holiday penalty rates. Will the minister confirm that this agreement, which strips the conditions and pay of these workers, is valid under WorkChoices?

Mr HOCKEY—It is going to disappoint the Deputy Leader of the Opposition, but I am not going to give a running commentary on something she holds up in question time or an investigation by the Office of Workplace Services. But I do make this point: the real spokesman for the Labor Party, Greg Combet—

Ms Gillard interjecting—

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

Mr HOCKEY—The real spokesman on industrial relations for the Labor Party, Greg Combet, has said that it is okay for him to trade penalty rates off—

Ms Gillard interjecting—

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

Mr HOCKEY—The Deputy Leader of the Opposition is not the real spokesman on industrial relations for the Labor Party—Greg Combet is. Greg Combet said that, on many occasions, he has traded off penalty rates for higher wages.

Opposition members interjecting—

The SPEAKER—Order! The member for Lilley.

Mr Tanner interjecting—

The SPEAKER—The member for Melbourne is warned!

Mr HOCKEY—If it is okay for Greg Combet to trade away penalty rates, why isn’t it okay for individuals to negotiate their own employment outcome? The Labor Party does not like that. The Labor Party never likes to take into account the interests of the workers because it is just a party for the union bosses.

Workplace Relations

Miss JACKIE KELLY (2.58 pm)—My question is to the Minister for Small Business and Tourism. Would the minister inform the House of the response of small businesses to proposals to change the unfair dismissal laws?
I thank the member for Lindsay for her question and for her very passionate support for small businesses. Over the past 12 months, small businesses have been speaking out very strongly in support of the Howard government exempting them from Labor's unfair dismissal laws. Since becoming the Leader of the Opposition, the member for Griffith has said that Labor would listen to small business on this very important issue of unfair dismissals. In fact, when asked on ABC radio on 28 March about the Labor Party's policy on unfair dismissals, the Leader of the Opposition said in no uncertain terms:

Julia Gillard at present is working that through with the small business community ... trying to get the balance right

Earlier, on Channel 10, the deputy leader said:

I’m prepared to talk to small business on the substance of their concerns and see what we can do to address those concerns. That’s a genuine offer, it’s a serious offer.

Then, of course, we had the member for Rankin—who unfortunately appears to have gone missing in action—in a memorable interview with Madonna King on 28 February. He said:

… we will take account of the special circumstances of small businesses in developing our policies and we have not arrived at a position on how we will do that in terms of a precise policy because that will be released after we consult …

Small business today has spoken out very strongly with one voice. It is now time for the Labor Party to demonstrate whether in fact they have been listening. I can tell you, Mr Speaker, that after listening to the member for Rankin, the Small Business Coalition, a group of 26 small business groups, today released their policy statement which sets down their opposition to any changes to the current exemption from unfair dismissals.

I think that we should know exactly who the members of the Small Business Coalition are. Let me tell you. They are the Association of Consulting Engineers, the Australian Newsagents Federation, the Australian Petroleum Agents and Distributors Association, the Retailers Association, the Council of Small Business Organisations of Australia, the CPA, the Franchise Council of Australia, Master Builders Australia, the Motor Trades Association of Australia, the National Farmers Federation, the Pharmacy Guild of Australia, the Real Estate Institute of Australia, and Restaurant and Catering Australia, plus the state chambers of commerce from the ACT, Western Australia, Queensland, Tasmania, Victoria and New South Wales.

Let me advise the House of what all 26 of these small business organisations have come out today and said with one voice:

A key WorkChoices reform for small business was the introduction of the exemption for small and medium businesses from unfair dismissal claims. This exemption has finally provided small businesses with increased confidence in hiring, demonstrated by increased employment levels following the introduction of WorkChoices.

The SBC considers retention of this fundamental exemption as absolutely essential to ongoing growth and success of small businesses.

Importantly, all 26 of them say—

Opposition members interjecting—

The SPEAKER—Order! The minister has the call.

FRAN BAILEY—I can stand here for as long as is necessary to get this on the record. Importantly, they say:

Any moves to roll back or water down these reforms would be against the interests of small businesses.

It is now time for the opposition to release their unfair dismissal policy. They have an opportunity. Who is the Leader of the Opposition listening to: small business or Greg
Combet? I will table the list of all of those small business organisations.

Workplace Relations

Ms GILLARD (3.04 pm)—My question is again to the Minister for Employment and Workplace Relations. I again refer to this Darrell Lea Australian workplace agreement. Minister, what is fair or family friendly about a pay cut followed by a five-year pay freeze?

Mr HOCKEY—I refuse to accept the facts provided by the Deputy Leader of the Opposition. That might come as a rude surprise to some, but I have been misled by her on a few facts previously. I know that is hard to believe, but it is quite true. I will tell you what: there is nothing family friendly about 11 per cent unemployment. There is nothing family friendly about real wages decreasing as they did under the Labor Party. I have been sitting there wondering what the motivation of the Deputy Leader of the Opposition would be on this last sitting day before Easter to ask this question. I reflected on the fact that it was Sharan Burrow who said that Santa Claus would not come last Christmas because of Work Choices. Now we have the Deputy Leader of the Opposition invoking Darrell Lea and saying the Easter bunny is not going to come this Easter. I say to her: leave the kiddies alone. They deserve to think the Easter bunny is coming this Easter.

The SPEAKER—The minister will resume his seat. Has the minister completed his answer? The minister has completed his answer.

Ms Gillard—Mr Speaker, I seek leave to table the Darrell Lea Australian workplace agreement which clearly shows that pay has not gone up and there is a five-year pay freeze.

Leave granted.

Ms Gillard—What is good for families about that? You stand up here and go—

The SPEAKER—The Deputy Leader of the Opposition will resume her seat. The Deputy Leader of the Opposition was given leave to table that document.

Mrs Irwin interjecting—

The SPEAKER—The member for Fowler is warned! The Deputy Leader of the Opposition sought leave to table the document. Leave was given. She was asked to resume her seat. If she continues to disobey, I will deal with her.

Education

Mr RANDALL (3.06 pm)—They should table the Easter bunny. My question is addressed to the Minister for Education, Science and Training. Would the minister advise the House of the reaction to the release of the national literacy and numeracy benchmarks? What is the government’s response?

Ms JULIE BISHOP—I thank the member for Canning for his question. As he will know, this week the state governments finally came clean with comparative schools test results in literacy and numeracy, which finally gave parents a national perspective, a national picture, of what is going on in our classrooms, although the data was two years late in coming. Not surprisingly, parents had raised concerns about the worrying decline in standards in reading and mathematics. It seemed that students’ skills were getting worse the longer they were in school.

So what did the state Labor education ministers and the education unions say in response? In Western Australia, the results were the worst in the country. According to the West Australian newspaper, WA students rated lowest for the three ‘Rs’—their primary students were amongst the worst in the nation when it comes to reading, writing and arithmetic. It found that Western Australia had the highest percentage of students failing to reach the national benchmark in five of nine categories and that the state standards
were dropping, with the 2005 results worse than the 2004 results in six of the nine categories. The West Australian Labor minister blamed the federal government for those results. Apparently he does not take any responsibility for what goes on in his schools.

In Victoria the year 3 reading results were below the national average. The Labor Party in Victoria thought that that was a testament to their continued commitment to the highest standards. They do not meet the national benchmarks, but they think that is a testament to the highest standards. The Australian Education Union Victorian branch head, Mary Bluett, thought it was all a cause for celebration.

In Queensland, the education minister actually welcomed the Australian government’s additional $1.8 billion to lift literacy and numeracy standards, but this is a man who dismisses calls for higher standards in literacy and numeracy as a tired old cliche. The Queensland Council of Parents and Citizens Associations could not disagree with him more. In fact, they are calling for a refocus on the teaching of the three Rs in classrooms, according to the Courier-Mail, and are asking that the Labor education minister refocus on teaching the fundamentals.

The Queensland Teachers Union, though, have come up with the answer. Instead of teaching the fundamentals, including spelling and punctuation, they want us to just replace it with text messaging. As reported in the Courier-Mail today, spelling is overrated; apparently it just gets in the way, and the Queensland Teachers Union President, Steve, Ryan, has accused those who are pushing a traditional curriculum of reading, writing and mathematics of ‘outdated thinking’. So, while the Howard government is assisting 16,000 students who have been failed by the state school system with reading assistance vouchers that are helping students on a one-on-one basis to meet reading and writing standards, the teachers union have given up. They think that young people can get by in this world by text messaging.

Mr Howard—Mr Speaker, I ask that further questions be placed on the Notice Paper and wish all members of the parliament a very happy and restful Easter.

PERSONAL EXPLANATIONS

Mr BURKE (Watson) (3.10 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr BURKE—Yes.

The SPEAKER—Please proceed.

Mr BURKE—Yesterday in question time the Minister for Immigration and Citizenship alleged to be quoting a Sky News interview. He accurately represented the question and said:

The reply from Mr Burke was:

I just don’t believe this is part of the equation. I just don’t believe that Nauru is part of the equation.

I went and got a copy of the transcript. The first sentence of that reply appears halfway through the answer. The second sentence does not appear at all. My reply to that question was:

I’ve got to tell you I don’t believe for one minute that the refugee camps around the world are getting news about the latest practice of how we have treated the eighty three asylum seekers from Sri Lanka. I just don’t believe that is part of the equation.

The SPEAKER—The member does not need to read the whole transcript. The member will come straight to where he has been misrepresented.

Mr BURKE—The minister said what my reply was. That was my reply. The answer then went on to refer—
The SPEAKER—The member does not have to read his reply.

Mr BURKE—The answer referred to two further points: firstly, the extraordinary waste of money in funding a centre at Christmas Island that we then do not use; and, secondly, the fact that last time we were told people from Nauru would never come to Australia more than 1,000 of them were either living in Australia or in New Zealand with the right to enter Australia.

QUESTIONS TO THE SPEAKER
Identification of Members

Mr RIPOLL (3.12 pm)—Mr Speaker, can you confirm that this week you and the President of the Senate were part of a promotional photo shoot for the Earth Hour event at the front of Parliament House? Can you also confirm that your photographer was approached by a blue-uniformed officer to check his identity and his business at the front of the house? Is it the case that the blue-uniformed officer, having checked the identity of the photographer, then inquired as to who you were and what you were doing and needed to radio a confirmation to be satisfied? Given that security personnel do not know who you are, can you review the procedures in place to ensure that a blue-uniformed officer’s time is not wasted on determining the ID of the Speaker the House, the President of the Senate or your assigned photographer?

The SPEAKER—I thank the member for Oxley for his question. I suggest to him security matters are taken very seriously in this place, and I certainly take them seriously.

WORK CHOICES

Dr EMERSON (Rankin) (3.13 pm)—I seek leave to table an MYOB Small Business Survey that reveals that 40 per cent of small businesses consider Work Choices to be unfair and only nine per cent believe that it will increase productivity.

Leave not granted.

QUESTIONS TO THE SPEAKER
Pinnacle Apartments: Rates

Mr QUICK (3.13 pm)—Mr Speaker, as you know, budget week will be our first week back in the House. Pinnacle Apartments, where many of our staff members stay during their 20-week time in Canberra, are proposing to charge extortionate rates for this one night. On budget night, 8 May, Pinnacle rates are going from $180 a night to $420 a night. Do you agree with me that this is a shameful way to treat our hardworking staff?

The SPEAKER—that question is not relevant to the responsibilities of the Speaker.

AUDITOR-GENERAL’S REPORTS
Report No. 31 of 2006-07

The SPEAKER—I present the Auditor-General’s Audit report No. 31 of 2006-07 entitled The conservation and protection of national threatened species and ecological communities—Department of the Environment and Water Resources.

Ordered that the report be made a parliamentary paper.

DOCUMENTS

Mr RUDDOCK (Berowra—Attorney-General) (3.15 pm)—Documents are tabled as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings and I move:

That the House take note of the following documents:
Debate (on motion by Mr Albanese) adjourned.

Mr RUDDOCK (Berowra—Attorney-General) (3.15 pm)—I present documents on the following subjects, being petitions which are not in accordance with the standing and sessional orders of the House.

Medicare cover of dental care for aged pensioners and low income earners—from the member for Warringah—482 Petitioners

Human cloning—from the member for Chisholm—269 Petitioners

Plight of 6 young Australian citizens facing the death penalty in Indonesia—from the member for Moreton—1512 Petitioners

Human rights violations in Vietnam—from the member for Cowan—20 Petitioners

Allocation and use of human blood with the free trade agreement with the US—from the member for Benelong—102 Petitioners

Proposed US/Australian joint military exercises in Australia wilderness areas in May/June 2007—from the member for Warringah—32 Petitioners

Health care for Indigenous Australians—from the member for Warringah—121 Petitioners

Australian involvement in the US Ballistic Missile Defence System—from the member for Perth—201 Petitioners

Senate inquiry Breaking the Silence: a National Voice for Gynaecological Cancer—from the member for Warringah—28 Petitioners

SPECIAL ADJOURNMENT

Mr RUDDOCK (Berowra—Attorney-General) (3.16 pm)—I move:

That leave of absence be given to every Member of the House of Representatives from the determination of this sitting of the House to the date of its next sitting.

Question agreed to.

MINISTERIAL STATEMENTS

Global Initiatives on Forests and Climate

Mr TURNBULL (Wentworth—Minister for the Environment and Water Resources) (3.17 pm)—I ask leave of the House to make a ministerial statement relating to global initiatives on forests and climate.

The SPEAKER—Is leave granted?

Mr Albanese—Mr Speaker, as I indicated to you, the minister failed to give the shadow minister and the opposition the courtesy of providing this statement two hours in advance, as is common practice. In fact, the document was only given after question time began. On this occasion we are prepared to be very generous to the minister and allow him to proceed, because he may well not have known, even though we rang his office at 10 am this morning asking for a copy. In future, the government is on notice that we will say no. We will not give leave unless those courtesies are followed.

Leave granted.

Mr TURNBULL—The forests of the world are the ‘lungs of the earth’. They breathe in the carbon dioxide in our atmosphere, they store the carbon they need for their growth and they emit the oxygen which we need for life. We need to breathe new life into the lungs of the world. We need to give the world a breathing space. And we will do so.

Around the world these lungs of the earth are being ripped from the forest floor at a rate of 71,000 football fields every day. In just the past hour forests covering the area of 3,000 football fields have been lost.
The world’s forests play a vital role in addressing climate change because they store vast amounts of carbon for long periods of time. The carbon currently stored in forests around the world exceeds the levels of carbon in the earth’s atmosphere. Dense tropical forest areas contain particularly high levels of carbon. As forests are unsustainably logged and as they are burned, they release large amounts of carbon dioxide into the atmosphere, contributing to global warming. Deforestation also contributes, tragically, to global poverty.

Around 20 per cent of global greenhouse gas emissions (about six billion tonnes per annum) currently come from clearing the world’s forests—around 13 million hectares or an area twice the size of Tasmania. This is second only to the emissions produced from burning fossil fuels to produce electricity and is more than all of the world’s emissions from transport.

Globally, more than 4.4 million trees are removed each day—1.6 billion trees each year—and almost one billion of these are not replaced.

This must be turned around. And it can be. Countries can turn their forests, very quickly, from being net emitters of carbon to net absorbers of carbon. Up until the 1930s it is estimated that North America and Europe accounted for the bulk of the world’s carbon emissions from deforestation. Within 30 years their forests had become net absorbers of carbon, carbon sinks, as a result of tree planting and natural regeneration.

But today, deforestation is greatest in Africa, South America and South-East Asia. It is driven in large part by a demand for agricultural land in developing countries but is also a result of unsustainable forest practices and, in particular, illegal logging.

Illegal logging is a serious issue for industrialised as well as developing countries. It degrades the environment, endangers plant and animal life and adversely affects the social and economic wellbeing of local communities.

The World Bank estimates that illegal logging costs the global market more than $US10 billion a year. The International Tropical Timber Organisation estimates that nearly 82 million hectares or 85 per cent of natural forests around the world are not being managed in a sustainable way.

Sir Nicholas Stern, with whom I discussed this matter only yesterday afternoon and again this morning, in his report on the economics of climate change last year, also noted that the emissions from deforestation globally are significant and that action to address this is urgently needed.

The Australian government has been working with countries around the world to improve forest management practices and combat illegal logging but a renewed effort is needed to curb the emissions from deforestation.

Today the Australian government announced a major international initiative to do just that.

The new Global Initiative on Forests and Climate will reduce greenhouse gas emissions in developing countries through reducing illegal logging and destruction of the world’s remaining great forests; increasing new forest planting; and promoting sustainable forest management practices worldwide.

The Australian government will contribute $200 million in funding to the initiative and work closely with developed and developing countries, businesses and other international organisations to reduce emissions from deforestation and to help manage the world’s forests in a sustainable way.
This funding of $200 million will be committed to working with developing countries to:

- build technical capacity to assess and monitor forest resources, and to develop national forest management plans;
- establish effective regulatory and law enforcement arrangements to protect forests, including through preventing illegal logging;
- promote the sustainable use of forest resources and diversify the economic base of forest dependent communities;
- support practical research into the drivers of deforestation; and
- encourage the reforestation of degraded forest areas.

The funding will also support:

- positive incentives for sustainable forest practices in developing countries and reducing net forest loss;
- the development and deployment of the technology and the systems needed to help developing countries monitor and produce robust assessments of their forest resources;
- piloting approaches to providing incentives to countries and communities to encourage sustainable use of forests and the reduction of destruction of forests;
- collaboration with the Global Forest Alliance of the World Bank and the International Tropical Timber Organisation on deforestation projects;
- cooperation with governments and businesses in other developed countries to build support for and expand the reach of the initiative.

As the world continues to develop and deploy the low-emissions energy technologies needed to achieve the deep cuts in greenhouse emissions needed in the future, reducing deforestation (combined with planting new forests and encouraging sustainable forest management) is one of the most cost-effective ways to reduce global emissions, starting right now.

Australia is well placed to lead the Global Initiative on Forests and Climate. Australia has a strong and proud record in sustainable management of our forests.

We have put in place a world-class regime for sustainable land use and forest management, including through regional forest agreements, the National Framework for the Management and Monitoring of Australia’s Native Vegetation and the National Biodiversity and Climate Change Action Plan.

The government has made multibillion dollar investments in environmental programs and scientific research. For example, over the life of the Australian government’s Natural Heritage Trust and the National Action Plan for Salinity and Water Quality programs, we will invest $3.7 billion to address pressing environmental problems, including habitat restoration and sustainable forest management. Over the past 11 years, the Australian government has invested a total of almost $20 billion in these and other environmental activities.

As a result of these efforts, we have substantially reduced broadscale land clearing of woodlands in agricultural areas, for the benefit of both our climate and our biodiversity. In 1990, greenhouse gas emissions in Australia from deforestation were 129 million tonnes. These will fall by 65 per cent by 2010.

Since 1990, more than 1.1 million hectares of new forests have been planted in Australia. By 2010, new forest plantings will remove 21 million tonnes of carbon dioxide from the atmosphere each year from Australia.
Our forest management in Australia is world leading. Some 13 per cent of Australia’s native forests—more than 22 million hectares—are protected in conservation reserves, including World Heritage sites and forested land under Indigenous ownership. Almost half of Australia’s tropical and temperate rainforests are protected.

This includes more than 2.9 million hectares of forest (including 90 per cent of our high-quality wilderness and 68 per cent of our old-growth forest) added to conservation reserves since 1996 through the regional forests agreement system.

This system has achieved a balance between the long-term protection of our unique forest biodiversity and providing a sustainable future for forest industries. We have overcome past unsustainable forest practices, while supporting the growth of internationally competitive and sustainable forest industries, which currently employ more than 83,000 people and have an annual turnover of more than $18 billion.

So it comes as no surprise that Australia has been pressing for urgent global action on forests and climate change for many years. Since the Kyoto negotiations began more than a decade ago, Australia has led the push for effective international action on deforestation.

There are few frameworks internationally that address emissions from deforestation. It is a fact that the Kyoto protocol provides no incentive to developing countries to reduce deforestation, yet this represents one of the best opportunities for real progress against global warming over the two next decades.

This deficiency in the Kyoto framework has been widely recognised. As Michael Kennedy, the Director of Humane Society, recently wrote:

The Kyoto Protocol, through this CDM funding, is effectively financing … massive amounts of greenhouse gas emissions.

This global initiative will do for the planet what Kyoto couldn’t. It is often forgotten that the earth’s carbon is cycled between the ocean, the biosphere and the atmosphere. Reducing the amount in the atmosphere is not only possible via reduced emissions but also through increased uptake of carbon in the terrestrial biosphere—in the plant life and the soils of the biosphere.

Let there be no mistake—successfully addressing deforestation and forest management is an essential part of any effective global response to climate change.

If we could only halve the current rate of global deforestation, and our goals are much more ambitious than that, this new Global Initiative on Forests and Climate could lead to reductions in annual global greenhouse gas emissions of three billion tonnes a year—or around 10 per cent.

This would lead to global emission reductions five times greater than Australia’s total annual emissions and almost 10 times as large as those achieved under the first commitment period of the Kyoto protocol, which will only reduce annual emissions by one per cent by 2010.

Through this initiative we will work with like-minded countries, such as the United Kingdom, United States, Germany, Indonesia, and international organisations and businesses to reduce emissions from deforestation and to sustainably manage the world’s forests.

We will also work closely with the World Bank, which has stated its intention to expand its efforts on deforestation.

Through working together—with developed and developing countries across the world—we can harness the collective effort and resources to make a potentially massive
contribution to addressing climate change and sustainable forest management.

As part of the initiative we are announcing today, we will be offering to nearby developing countries access to high-quality satellite measurement data for their forests and the technical help to use it to underpin sustainable forest management.

We have the forests, we have the history, we have the runs on the board and we have valuable experience to share. Through this initiative, Australia is delivering practical action that will make a real difference to global greenhouse gas emissions.

The Global Initiative on Forests and Climate builds on the Australian government’s comprehensive climate change strategy that:

- is supporting world-class scientific research to build our understanding of climate change and its potential impacts, particularly in our region;
- has Australia tracking well to meet our Kyoto greenhouse gas emissions reduction target;
- is supporting the development of the new low-emissions technologies Australia and the world will need in the future, including renewable energies and clean coal;
- is identifying those regions and industries that are most vulnerable to the impacts of climate change, and helping them adapt to those impacts; and
- is continuing the push for an effective international agreement that will see all the major greenhouse gas emitting nations reducing their emissions.

This strategy is underpinned by an investment of more than $2 billion, which in turn is leveraging more than $7.5 billion in additional investment.

The Australian government is committed to addressing climate change and to making a significant and material difference to the global reduction of greenhouse gas emissions. Today’s announcement represents a quantum leap in the international effort to addressing this grave environmental challenge. This is an initiative that the entire world can embrace because it is an initiative that will make a difference and that will breathe new life into the lungs of the world. I present the following document:


Mr RUDDOCK (Berowra—Attorney-General) (3.32 pm)—I move:

That the House take note of the document.

I seek leave to move a motion in relation to the debate.

Leave granted.

Mr RUDDOCK—I move:

That so much of the standing and sessional orders be suspended as would prevent Mr Garrett speaking for a period not exceeding 14 minutes.

Question agreed to.

Mr GARRETT (Kingsford Smith) (3.33 pm)—We are entering a new era of action on climate change. There is a growing national consensus on climate change. There is a consensus on the science of climate change. There is a consensus on the need for a national emissions trading scheme and long-term targets. There is a consensus on the need for a comprehensive, portfolio approach to climate change. This is a consensus that involves business, trade unions, environment groups and the broader community. There is just one group missing from the national consensus, and that is the Howard government. Howard government ministers do not accept the science of climate change.

The Minister for Finance and Administration says ‘there remains an ongoing debate about the extent of climate change’, and he recently wrote to former Australian of the Year Ian Kiernan attacking Mr Kiernan for daring to criticise climate change sceptics. The Minister for Industry, Tourism and Re-
sources proudly triumphed his scepticism on the Sunday program on 20 August 2006:

Well I am a sceptic of the connection between emissions and climate change.

That was just seven months ago. A government full of climate change sceptics cannot deliver climate change solutions, and this is a government full of climate change sceptics. There is a consensus on the science, but the government just does not get it.

There is a consensus on emissions trading and long-term targets, but the government just does not get that either. The Business Council of Australia, in their submission to the emissions trading task group, stated:

The BCA in considering how best to achieve a workable global emissions trading scheme has identified the following as essential.

- Set both immediate and long term global emission reduction targets;
  Countries will need to agree to a binding emission reduction target with both immediate and long term targets and target pathways in between if an environmental impact is to be achieved ...
  The long term targets need to link to commercial investment horizons, so that investment decisions are sensibly informed.

Westpac’s submission makes the point that the government’s failure to act has an impact on investor confidence, saying:

Business is ... calling for greater clarity on how companies are strategically and tactically managing their response to the implications of, and exposure to, climate change.

BHP Billiton calls for not only an ‘efficient, effective and equitable domestic Australian emissions trading scheme’ but also one that:
... facilitates the trading of emissions entitlements and reductions and the crediting of off-sets developed or purchased in other countries (such as CDM or other project-based credits).

So there is a very real consensus emerging in the business community. Again, the Howard government is out of step.

Today the health minister joined the sceptics’ ranks when he said in a debate on climate change that there is nothing speculative about it. In question time today, the Prime Minister was asked a very simple question: how will he set a price on carbon? The Prime Minister’s response was extraordinary: ‘No, the market will.’ The market has operated for a very long time, but there is still no national emissions trading scheme. The Prime Minister just does not get it.

The other major area of consensus that is emerging is that we need a comprehensive portfolio approach to climate change. That is Labor’s approach. That is why a Rudd Labor government will ratify the Kyoto protocol, cut Australia’s greenhouse pollution by 60 per cent by 2050, establish a national emissions trading scheme, substantially increase the mandatory renewable energy target, establish a $500 million national clean coal initiative and establish a $50 million solar home power plan. Compare that with the Howard government’s approach. They have said no to the Kyoto protocol, no to a long-term target for emissions reductions and no to increasing the mandatory renewable energy target.

The Howard government still has not established a national emissions trading scheme and it has not spent a single dollar under the Low Emissions Technology Demonstration Fund. Now the government refuses to endorse Labor’s $50 million solar home power plan. This is a lazy government—but, when it comes to climate change, the government is more than lazy; it is reckless and indifferent. So, while we welcome today’s announcement, no-one should be under the illusion that the government is seriously committed to taking action on climate change.

In the lead-up to the election we are seeing plenty of politics with regard to climate...
change, but very little policy. The Prime Minister was right when he said this morning:

... 20 per cent of global greenhouse gas emissions come from clearing the world’s forest and that’s second only to emissions from burning fossil fuels to produce electricity and it’s more than all the world’s emissions from transport.

But the Prime Minister may not be aware of the fact that, for trees to act as sinks for carbon, they need to be left in the ground. For a forest to work effectively as a carbon sink it needs to be left in the ground for 30 to 40 years, not just whacked in and taken out on a short rotation basis.

The government are correct to point out that, under the Kyoto protocol, forests—that is, standing forests—are not recognised as carbon sinks. The minister for the environment is also correct to point out that this has led to an obscene level of deforestation across the world, something that we on this side of the House feel very strongly about. But—and it is a very big but—what neither the Prime Minister nor the environment minister are admitting is that the rest of the world, the Kyoto-compliant world, is hotly debating this very issue right now. And we have been politely asked to leave the room— we are allowed no role in the discussion because we have not ratified. Had we ratified, were we to be in those negotiations, we could argue powerfully for native standing forests to be recognised as carbon sinks. That way, forests across Australia would make the country a great deal of money just by being allowed to exist. That way, the forests of Indonesia, Papua New Guinea and the Solomons would make more money for local landholders by being left alone than they would by being cut down. That is how we create market signals in a carbon constrained world that drive good economic and environmental outcomes. That is why it is vital for Australia to ratify and be part of that debate.

If we had a national carbon trading scheme in place in Australia we could be encouraging commercial investment in reforestation schemes that obtain carbon credits. Without the government seriously embracing a comprehensive framework for dealing with climate change, it cannot be seen as serious in its approach to climate change. Labor has a comprehensive framework. Had we ratified the protocol, Australia, through the clean development mechanism, would be able to achieve carbon reduction credits and assist in meeting its greenhouse targets and help forestry in the region by investing in reforestation activities.

The ministerial statement refers to the Kyoto protocol providing no incentive for the developing countries to reduce deforestation. As a fact, a quick visit to the UNFCCC website shows that this is clearly not the case. A search on that site finds project No. 0547: Facilitating Reforestation for Guangxi Watershed Management in Pearl River Basin. Because we are not a party to Kyoto the government’s $200 million fund plan, welcome as it is, will not assist Australia in gaining highly valuable carbon credits. The fund is an entirely government driven mechanism.

If Australia were a Kyoto party Australian companies would have had the incentive to invest in reforestation in the region, through the CDM, potentially pouring large amounts of money in while achieving large emission reductions through sequestration in growing trees. We would be encouraging responsible action by building sustainable markets. This is another lost opportunity.

The ministerial statement refers to the amounts that the Howard government has spent on the environment, but it does not refer to the very poor progress on repairing, recovering and protecting our environment,
clearly detailed in the last *State of the environment report:* growing numbers of threatened and endangered species, worsening river health and biodiversity literally in crisis.

While this initiative is welcome, the government has missed the opportunity to ratify the Kyoto protocol and set bold targets for emission reductions. There is a growing national consensus on climate change but the Howard government is standing firmly aside from that consensus. Labor is committed to forging a national consensus on climate change. That is why we are holding a national climate change summit this Saturday. This summit will bring together some of the nation’s best thinkers from business and science—and people from the community as well. The summit will begin to shape a national consensus on the best way forward for Australia over the next decade. The summit will examine a number of critical issues including the environmental, economic and social impacts of climate change both now and into the future. The summit will examine the future of emissions trading. And the summit will examine new technologies and renewable energy and community, corporate and government responsibility for reducing our energy needs.

This national climate change summit will give all those sectors of the community who have been crying out for action on climate change, and who are clearly well aware of the risks posed by climate change, the opportunity not only to enter into dialogue with one another but to put their views to the alternative government of Australia as to what we now need to do to seriously address climate change, and particularly to reduce our greenhouse gas emissions. It is time for a new politics—a politics of action, not a politics of denial and delay. Labor is committed to action on climate change.

Debate adjourned.

**EMPLOYMENT AND WORKPLACE RELATIONS LEGISLATION AMENDMENT (WELFARE TO WORK AND VOCATIONAL REHABILITATION SERVICES) BILL 2006**

**CORPORATIONS AMENDMENT (TAKEOVERS) BILL 2007**

Returned from the Senate

Message received from the Senate returning the bills without amendment or request.

**MATTERS OF PUBLIC IMPORTANCE**

**Defence**

The DEPUTY SPEAKER (Hon. IR Causley)—I have received a letter from the honourable member for Hunter proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The Government’s failure to properly manage the Defence budget and Defence procurement policy, and it implications for Australia’s national security.

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 FITZGIBBON (Hunter) (3.45 pm)—I know that the Minister for Defence will agree—indeed, I know all members of this place will agree—that the first obligation of any national government is the defence of its country and its people. It is an important and big task, one which requires sound strategic analysis and planning, sound economic management and, of course, competent procurement management. It also requires a competent approach to the recruitment and retention of those who serve in our Navy, our Army and our Air Force. This is an area in which the Howard government has been
found wanting in recent years. But it is the first three points that I want to concentrate on this afternoon: one, strategic planning; two, capability policy, planning and implementation; and, three, the economic management of Australia’s defence capability programs. These are, as I said, very big tasks—big tasks that must be undertaken in the right order.

Defence analysts and academics around this country disagree on many aspects of defence strategic policy, but there is one matter on which there is unanimous agreement, and that is that capability planning in this country must be guided by strategy; that is, strategic guidance is the approach to capability planning. To put it another way, you must first decide exactly what it is you want your defence force to do before you decide what shape and size your defence force should take and what kit to give it—that is, first determining the size, weight and mix of each of our services and then, within a tight budget constraint, determining whether we need more people or fewer people, more tanks or fewer tanks, more submarines or fewer submarines, more jet fighters or fewer jet fighters et cetera. You cannot adequately answer these questions if you have not set a clear strategic direction, and you will not meet the obligation to protect the nation and its interests if you do not ensure that defence purchasing is guided by strategy.

This is a government that is working off a Defence White Paper which is now seven years old and has thrown its own capability plan out the window. Of all the charges we might lay against the government either on defence or other issues, this is probably the most serious of all: the fact that the government, in defence spending, is not putting the national interest first but is, indeed, putting the interests of the Liberal Party first. Of course, there could be no better example of this than the recent political fix we saw with the $6 billion outlay for some 24 Super Hornets. Here is a government determined to make sure that it does not go into an election potentially charged with creating an air capability gap in this country. It has decided, without any recourse to the budget, to spend an unfunded $6 billion on an aircraft that the Air Force says that we do not need and most experts say is not up to the job—a fourth generation aircraft to do a fifth generation’s job. As I said, there is no funding for this particular purchasing program. You will not find the $6 billion in the defence capability plan and you certainly will not find it in the 2006-07 budget.

So let us just quickly recap what happened here. The government rushed in to signing up to the Joint Strike Fighter program without taking into account or making contingencies for the inevitable delays and cost blow-outs of that project and it concurrently decided to retire the F111s earlier. So where does that leave us? It potentially leaves us with an air capability gap. The government has been telling us for months that we do not have a looming air capability gap, that we should not be worried about the future of our air superiority—which, I should add, is the key to this nation’s defence—and, as I understand it, it maintains that position. The minister might want to clarify that when he makes his contribution in this debate. The government maintains the position that no looming air capability gap exists, yet it has outlaid $6 billion on an aircraft that, as I said, most experts say is not up to the job. There are plenty of other examples—which I do not have time to go through this afternoon—but, in terms of departure from the defence capability plan, certainly the Abrams tanks stand out.

Each year Australia spends around two per cent of GDP—or about $20 billion—on its defence needs. That sounds like a great deal of money—and it is—but, in these times,
when we have the three roles of defending our continent, taking care of our own region and taking care of Australia’s interests further afield, defence is a very expensive thing. The reality is that two per cent may not be enough. Of course, it is not our peak in spending. In 1967-68, during the period of the Vietnam War, we were spending around 3.9 per cent of GDP. But, certainly at two per cent, we cannot afford to waste a cent. Every dollar wasted by this government is a dollar not available to be spent on critical assets needed to defend the country and, indeed, to defend the men and women who wear a uniform in defence of this country.

This government takes the gold medal for waste and mismanagement. The next best example, of course, is the Seasprite helicopter. The Seasprite helicopter was to be the Navy’s attack weapon. It was supposed to be out there protecting our surface ships but, as we speak today, the Seasprite is not protecting our frigates. The Seasprites, nine of them, are sitting in their hangar in Nowra. Why are they sitting in their hangar in Nowra? Because this government pushed the envelope too far on their capability. They tried to do much more than the original concept with that helicopter and consequently mismanaged that program to the extent that we are now facing enormous delays and even doubt about whether the Seasprite helicopter will ever fly at all.

My challenge to the minister on this point today is to answer three questions. First, is he going to scrap the Seasprite helicopter, as has been widely rumoured in the media; second, what will be the cost to the taxpayer; and third, what does it mean for the Navy’s future air capability? I will have a go at answering the second question for him. What we do know is that the government has now spent $1 billion on 11 Seasprite helicopters for the Navy.

*Opposition member interjecting—*

Mr FITZGIBBON—I will pick up on the interjection and anticipate the minister’s response. They signed the contract on the Seasprite. I can anticipate him saying, ‘It was originally a Labor idea.’ True, the original concept was a Labor idea—but not the idea of pushing beyond the capabilities of the copter or the management of the project over the last 11 years. A billion dollars has been spent. If the minister decides to flush that $1 billion down the plughole—which is widely rumoured to be a fair chance—then he will have to spend at least another $1.5 billion on a new helicopter. In addition to that, we all read the recent letter from the contractor, Kaman. He will probably be facing compensation payments to the primary contractor.

I do not know whether the minister is going to scrap the Seasprite and sell it for scrap or not. Maybe we will get an answer from him today. He might surprise us. But what I do know is that whatever decision he takes, the taxpayer and national security, vis-a-vis our defence capability, will be the losers. His choices are: flush a billion dollars down the drain, spend another $1.5 billion and face compensation payments, or invest what is rumoured to be about another $60 million in the Seasprite project in the hope that within the next 25 months the Seasprite will be in the air doing the job it has been contracted to do. Neither choice is a particularly attractive one. We concede that. But this is a problem of the government’s own making. I suspect that most taxpayers would think that another $60 million and a fair chance of the aircraft becoming operational is probably a better choice than throwing $1 billion away and spending another $1.5 billion. I do think most taxpayers would think that is a better option, particularly if it means delivering the project in 2010—which is not likely to be the case if the minister goes shopping elsewhere. I have seen the Seasprite helicopters, brand
new and shiny, in their hangar down in Nowra. I have sat in the Seasprite helicopter. It is an impressive-looking aircraft. The thought of that aircraft being used for scrap after so much public money has been invested in that project would make any taxpayer cry. So I challenge the minister to clarify that point today.

Let me go through a few of the other projects: the airborne early warning and control aircraft, late and over budget; the new air defence command and control system, late and over budget; the FA18 upgrade, late and over budget; the FFG frigate upgrade, late and over budget; the M113 armoured personnel carrier, late and over budget; the Joint Strike Fighter project, late already and already over budget. Now we are told that the air warfare destroyer project—not even at second pass—is already over budget. Now we are told that the air warfare destroyer project—not even at second pass—is already over budget. I could mention more. There are more on the list, I can guarantee the House, but I have got 15 minutes and I am not going to waste it going through them all.

The defence budget is in crisis. You do not have to believe me; ask the experts. Read Des Ball, Hugh White and others who have been saying the same. A huge gap is opening up between funding and spend. The Super Hornet project alone puts the budget $6 billion overspent. I calculate the total capital cost of late or stalled projects is now around $14 billion. We spend $20 billion on defence, and this minister has overrun the budget by some $14 billion in capital terms. What he has not done, as has been so adequately pointed out by Mark Thomson from ASPI, is to take into account the recurrent costs of operating all these projects that are now over budget and running late.

It only gets worse. The Defence Materiel Organisation has conceded that around 30 per cent of its current projects are delayed. And of course delays equal greater costs. The high tempo of the ADF is likely to continue for some time to come, particularly given the government’s determination to stay the course in Iraq; our commitments in Afghanistan and in our own region, with a developing arc of instability; and of course we do expect the changing balance in the broader region, including all of Asia, to continue to evolve over the next few years. All these things will continue to impose additional costs on the defence budget.

Increasingly, wealthy nations in the Asian region, including South-East Asia, are gaining access to off-the-shelf, high-tech assets like submarines and aircraft—areas where we have enjoyed superiority for a long time, but it is a superiority which is closing very quickly. This has been pointed out by ASPI, particularly the difficulties we face with respect to antisubmarine warfare capability.

The minister is pretty predictable; in fact, the government is pretty predictable on the political fixes. In this election year—make no mistake about it—they will spend up big in the May budget. They will spend billions extra in the May budget. They have been crying already about three per cent real growth, but the problem is that the waste is probably taking that into reverse. We have not got three per cent real growth when money is being thrown out the window on a daily basis, but they will spend up. The problem is that, while we understand and know that they have the capacity to spend up big in this budget in the middle of a resources boom, that will not continue, and when you make commitments like this they are ongoing. When you make a decision on an asset purchase, it is a 30-year commitment. During budget time, the minister needs to explain how he is going to make that sort of spending sustainable given the waste and mismanagement that we have seen in recent years.
Today is the opportunity for him to answer some of those questions and to explain to the parliament why I am wrong to accuse them of undermining Australia’s national security by their hopeless approach to the management of our procurement programs and their hopeless waste and mismanagement. *(Time expired)*

Dr NELSON (Bradfield—Minister for Defence) (4.00 pm)—Firstly—and I have said it in the House myself—the security and protection of Australia, its people, interests and values are our highest priorities. There is no question of that, and there are two things that are required in order to do it. Firstly, you need political will: you need to have a government that believes in defence and security. Secondly, you have to have very strong economic management and to have your nation in a position where it is able to invest in the defence that is considered to be necessary to achieve the outcomes that we have.

In the 21st century, the first thing that needs to be said about defence and equipping our country with people and equipment is that what is most going to shape our future is not necessarily what we know but the things that we do not know. Our strategic planning for defence is indeed well developed. It was set out in the 2000 white paper and, as the member for Hunter has pointed out, we had one update in 2003 and another in 2005. I have also foreshadowed that throughout this year we will be—and in fact already are—examining how we will go forward to the end of this decade. Our priorities are obviously the protection and the security of our borders; we want to ensure that our gas and oil platforms are protected; we want to ensure that people who arrive here do so lawfully; and we also want to ensure that people do not arrive here and steal our fish. Five hundred Australian men and women, principally in the Navy and the Air Force, are working every day on this on our behalf.

In our planning we are also very focused on our region, particularly the ‘arc of instability’—a term that was coined by Paul Dibb and to which the member for Hunter referred—which takes us from East Timor through to the south-west Pacific. We have recognised that we are going to have to provide security and stabilisation, counterterrorism and maritime border protection, and also humanitarian support and relief in those countries for the foreseeable future. That, amongst many things, is why the government last year announced that we will invest a further $10 billion over the next 10 years in establishing two more battalions for the Australian Army, taking it from six to eight battalions.

But what we also recognise as equally important in defending our country is what happens in our region, not only South-East Asia but South Asia, Central Asia and throughout the world. We appreciate that, as we go forward, Australia, in providing defence and protection for our interests, is going to have to not only involve itself in counterterrorism, in intelligence and in working with our neighbours—Indonesia, Malaysia, Thailand, the Philippines and other countries—on counterterrorism, but also see that we nurture, nourish and support our alliances in conflicts which may well be in distant parts of the world. What happens in Afghanistan, what happens in the Middle East and the resolution eventually of the issues in Iraq have everything to do with the security of Australia. So, in terms of equipping Australia for the future, the government is extremely mindful of the fact that they are the kinds of challenges that we are facing.

We have heard from the member for Hunter. Most people are embarrassed to not know what they are talking about; it is even less common to have people boast about it, which is essentially what the member for Hunter has done. In terms of procurement,
the member for Hunter referred to the Australian Strategic Policy Institute. In the institute’s defence almanac, which publishes figures on defence expenditure, in the last 11 years of the Hawke and Keating Labor governments defence expenditure declined in real terms by two per cent. In contrast, in the first 11 years of this government, defence expenditure has increased by 48 per cent. I would also point out that the Labor Party solution of increasing defence expenditure as a proportion of GDP was to actually shrink the economy, and that is not something that this government is prepared to do under any circumstances.

In 2003 this government undertook major reforms of the way in which we acquire and sustain defence equipment. In the defence white paper in 2000, we set out forward expenditure over this decade of an additional $28 billion. We also took Labor’s combat-ready troops from 42 per cent to 62 per cent. We have shifted about $900 million from the back end of defence operations to the front end of it—so-called ‘tail to teeth’. There have also been changes in defence procurement and the way that we buy our equipment. Malcolm Kinnaird and some leading businessmen and businesswomen provided us with advice on how we can better equip our Defence Force.

Since those reforms were introduced, with the Defence Materiel Organisation, the DMO, being a prescribed agency, we have over the last three years been managing about 230 projects. In fact Defence at the moment has $60 billion worth of projects on its books for acquisition and about $40 billion for sustainment or maintenance. In the three years from July 2003, 93 projects have been closed—51 of those projects have come in early and ahead of budget, saving the taxpayer some $95 million; and we have had 10 projects that have come in late, with a real cost increase totalling $131 million.

At the moment the performance of the Defence Materiel Organisation is such that over last three years the delays or slippages in projects have declined from 20 per cent to 25 per cent in 2003-04, and from 15 per cent to 20 per cent in 2005-06; and they are currently running at 10 per cent to 13 per cent. So the so-called figure of $14 billion actually relates to taking 13 or 14 per cent of a total of $100 billion of projects under management and sustainment.

It needs to be pointed out that private sector industry best practice is somewhere between eight and 10 per cent. Of course, in defence equipment we are not just talking about going down to the local Holden dealership and buying a car; we are talking about state-of-the-art defence capability and weaponry which needs to be used in some of the most extreme conditions we could possibly know. In fact, I point out to the House the article by Professor Henry Ergas, the Asia-Pacific head of the economic consultancy, CRA International, published in the Financial Review on 9 February this year. In relation to the so-called public debate on these issues, he said:

For one thing, they ignore the many successes—such as the continuing timely delivery of the new Abrams tanks for the army and the recent ahead-of-schedule delivery of a new fleet oiler for the Navy: good news is no news when it comes to defence projects.

He went on to say:

But the real problem is there is little or no appreciation of the complexities and subtleties entailed in defence procurement.

Buying advanced weapons systems is not like buying laundry soap or paper clips ... Contemporary weapons systems are among the largest and most sophisticated engineering projects our societies undertake, involving millions of interdependent parts, each technically demanding in its own right and then needing to inter-operate effectively and reliably under combat conditions.
It also should be pointed out that if you go to something which is still complex but much less complex than trying to buy, for example, a new joint strike fighter to last this country generations in terms of its air capability, road projects, on average, come in 15 per cent over budget. Of software projects in the corporate sector, 84 per cent are delivered either late or over budget and 50 per cent are abandoned altogether. Compare that with the fact that you have 20 million software code lines in a joint strike fighter. Further to that, 40 per cent of rail projects, according to research, come in over price and 50 per cent are subsequently underutilised. So, in that sense, comparing the intensity and the complexity of defence procurement with other things that happen in the private sector, I think Australia, particularly in the last five years, has been performing extremely well.

There are a couple of other things that the member for Hunter mentioned which I will just point out. Firstly, the new air combat capability is something that we as a nation need and must get right. The aircraft that we purchased to protect our airspace and to maintain control of airspace is one that will be required to last a generation. In 1991 the Royal Australian Air Force, through the defence organisation, solicited interest from manufacturers who make aircraft to have a look at the kind of aircraft that might be suitable for Australia. In 2002, the decision was made that the joint strike fighter was the correct aircraft for Australia. The new air combat capability is not just about acquiring about 100 joint strike fighters. This country needs about 100 aircraft and can afford to purchase, maintain and sustain for about a 30-year period a state-of-the-art aircraft capability.

It also depends on a number of other things. We have magnificent F111s, which we have been flying for 35 years. The risk of continuing to fly them beyond 2010 will escalate considerably and certainly, from 2012, unacceptably. Of course, there is also a cost associated with that in terms of the capability that these aircraft provide to us in the 21st century. It also requires the upgrade of our current FA18 Hornets, and the government is committed to that to ensure that those Hornets are able to keep flying throughout the next decade and meet and exceed the expectations upon them over the next decade. It also requires the acquisition of the airborne early warning commander control aircraft, the so-called Wedgetails, and the acquisition of refuelers and a ground based commander control system for air warfare.

The government made the decision to acquire a squadron of Super Hornets and to maintain them for the next decade, to ensure that under no circumstances the risk, which would be clearly unacceptable, of an air gap emerging in the early part of the next decade would not be covered. Not only was the government determined to see that that is the case; the Super Hornet, the FA18F, is a 4.5 generation aircraft. It will certainly more than exceed the requirements for Australia’s air combat capability, along with upgraded FA18s, over the next decade. It derisks the transition into the joint strike fighter. It is also an acquisition which Australia can afford because of the hard work of Australians and the very good economic management of this government over the last 10 years.

I might also point out that the reason we are having this is that the Labor Party does not support defence and does not support spending on it. The Australian National University survey of the Labor candidates conducted for the last federal election found that, whereas not one single Liberal Party or National Party candidate supported a reduction in defence expenditure, one in four Labor candidates did. I might also point out that in 1994, after 11 years in government, the Australian Defence Association made its
assessment of Labor in government looking after defence. It said in part:

The number of full-time equivalent military personnel has been cut by almost 13 per cent, while regular force numbers were down 15.9 per cent. New equipment programs had been deferred and the then executive director, Mr O’Connor, said that the Australian Defence Force was being reduced to a ‘care and maintenance organisation as it had been in the thirties’. It is now incapable of meeting sustained low level commitments even at the level of non-violent UN peacekeeping tasks.

It went on to provide Labor’s scoresheet on defence as saying:

The ADF is simply unable to support the government’s foreign policy in Asia, much less being able to defend Australia. The ADF is just one more major national asset that was being sold off by the then government.

This government delivered a white paper in 2000. We are well in excess of the $28 billion. We said we would spend more on defence in the decade we are now going through. In the last 14 months the government has announced that an additional $30 billion or more will be spent on Australian troops, Navy and Air Force personnel and their equipment over the next 10 years to provide them with the equipment they need and deserve and to increase the size of the Australian Army.

In 1987 the Labor Party produced a white paper and said it was going to have a three per cent real growth in funding. Then, over the next three years, it cut the funding to defence. The reasons it did so are, firstly, the Labor Party does not support investment in defence and, secondly, the Labor Party was giving this country the recession that we were told by the then Treasurer, who became Prime Minister, we apparently all had to have.

The important thing is that Australian defence expenditure is on a solid footing. We have a 10-year plan, and it is rather extraordinary to have an opposition that criticises the government for spending more on defence than it forecast at the start of the decade—in a decade which has seen the most heinous terrorist and other attacks not only in the United States of America but also in Afghanistan, throughout the Middle East and in our own region. I think Australians will think very long and hard before they—(Time expired)

Mr GRiffin (Bruce) (4.15 pm)—This government has had 11 long years to get control of the defence budget and project management—and it has failed miserably. Minister Nelson is the latest in a long list of defence ministers in this government who have not been able to do the job. He has wrapped himself in the flag and been available for photo opportunities but, at the end of the day, he has been happy to ignore proper procurement guidelines and make fast and loose announcements regarding the defence of this country.

The bottom line in this issue is that it is indicative of the circumstances facing the Howard government in a range of areas. It has grown stale, it is out of energy, it is not sure what it is really doing, but it has a cheque book and it splays it around. The point with defence expenditure is that we have to make sure that it is the right expenditure. We have to make sure that it meets our strategic needs into the future and the capability we require for the defence of our country.

The Minister for Defence—a man whom I have a good deal of time for in many respects—is often known around the place as ‘Rain Man’. We saw once again today his capacity to spit out statistics on a whole range of aspects which, I might add, were more about the past than the future.

Mr Fitzgibbon—He didn’t answer any questions!
Mr GRIFFIN—He certainly did not answer any questions. But I have some statistics for him too. They are statistics that really spell out what has been happening in defence procurement in this country and statistics which he, once again, was not able to deal with on this occasion.

According to figures released by the Department of Defence on 13 March this year, 58 defence projects are behind schedule. Thirty of them are over one year behind and 11 are six to 12 months late—that is, 28 per cent of defence projects are in arrears, and we are talking about very big money. The poor management of these projects has implications not only for our capability but also for proper expenditure in this very important aspect of government endeavour.

I will give the parliament an idea of a number of the major projects that we are talking about. The airborne early warning control aircraft, Project Wedgetail, were due in 2006. They are now expected in approximately 2009, a delay of in excess of two years. The original cost was expected to be over $1,000 million. Now the cost is estimated at $3.5 billion. The Tiger helicopter project was due in 2006. It is now expected in 2008, a delay of two years. The original cost was over $1,000 million. It is now estimated at $2 billion. The ADF air refuelling capability was due in 2002. Now it is due in December 2009, a delay of seven years. Its original cost was between $500 million and $1,000 million. Its expected cost is now $1,761 million.

The FA18 Hornet upgrade was due in 2003. It is now expected in December 2007, a delay of four years. Its original cost was between $500 million and $1,000 million. It is now estimated at $1.5 billion for six ships. The high frequency radio communications modernisation project was due in 2002. It is now expected in 2007, a delay of five years. That one, we accept, is within cost, but with five years of missing capability.

The anti-ship missile defence project was due in 2005. It is now expected in 2009, a delay of four years. That, too, is within cost. The new heavyweight torpedo was due in 2004. The expected due date is now 2010, a delay of six years. Its original cost was $250 million. It is now estimated at $430 million. The Seasprites, which the member for Hunter spoke about earlier, were due in 2003. They are now expected, we hope, in 2008, a delay of five years. Their original cost was between $200 million and $500 million. It is now estimated at $1 billion and, as we know, they are in some doubt.

The M113 armoured personnel carrier minimum upgrade was due in 2003. It is now expected in 2007-08, a delay of four years. Its original cost was between $200 million and $500 million. It is now expected to be $0.6 billion. The new air defence command and control system were due in 2007. They are now expected in 2009, a delay of two years. So what we see is a litany of projects—serious projects—that are mostly over cost, sometimes by factors that are quite mind-boggling. We certainly have a situation which has real implications for the defence of our country and where there are issues that have not been addressed by the minister in his job in this government and in respect of what they are doing in defence.

Much has been said about the Super Hornets. I will say a couple of brief things about them. The minister talked about how, when you are looking at the issue of procurement, you are in a complex situation. And there is no doubt that defence procurement is a very
complex area. But, if it is so complex—and I agree that it is—you would think that you would go through proper processes. You would think that you would have to ensure that you did.

But what do we see here? We see the minister, almost overnight, spending $6 billion in order to go through with this purchase. Where was the process here? The member for Hunter asked that question specifically of the Minister for Defence, and the Minister for Defence ignored it. He did not answer it. In the short time he will have available, the next speaker might like to address that issue. These are complex purchases, they are important purchases, and we know the minister did not go through a proper process to ensure that this purchase was done correctly and that the correct decision was made. We also know that, based on the amount of criticism. The minister can say that we are not experts on defence but we can also say, frankly, neither is he. In the circumstances, we see in this field a number of independent commentators publicly criticising decisions that have been taken by this government in recent times. Hugh White, writing in today’s Sydney Morning Herald, said:

We do not know why the F-18F was chosen as the best aircraft for the job or why buying it without a competitive tender was the best way to acquire it. It is pretty clear that the idea was first raised at a National Security Committee meeting in November last year, when Defence Minister Brendan Nelson threw it on the table out of the blue. One wonders who provided the material for the briefing that Nelson then gave his NSC colleagues. Three months later, with time out for Christmas, the deal was done—a triumph of salesmanship over strategy.

Mr Tom Burbage, Executive Vice-President of Lockheed Martin’s JSF program, was quoted in the Canberra Times about his view on the Super Hornet. He said:

It’s not the airplane you want to hang your future on if you want to have an effective coalition airplane and you want to be effective nationally in a threat environment 10 to 15 years down the road.

Retired Air Vice-Marshal Peter Criss, writing in the Sydney Morning Herald, said:

Certainly, with the Super Hornet carrying half of some of the weapons, half the distance, at half the speed of the aircraft it is replacing, one has to hope and pray that the minister has not been misled. Worse still, we must wonder whether he has gone off prematurely without ensuring the rigorous engineering and operational evaluation process that is so essential to justifying spending $6 billion has been scrupulously followed and all options carefully and fairly evaluated.

He also said:

... the Super Hornet is inferior to the 1970s-designed and 1980s-built original F/A-18 aircraft. Admittedly the Block II Super Hornet has a new radar and some electronic components not in the version Coyle gave evidence on, but the fundamental airframe and performance remain unaltered: it is heavier, slower, larger and uglier (its radar signature did not measure up to expectations) than the normal Hornet.

There is certainly one thing that is a lot faster than a Super Hornet—that is, the process followed by the minister to seek approval by cabinet for a $6 billion purchase. In terms of the future, that raises real questions. The issue of the Seasprite has been covered by previous speakers, but I will briefly mention a couple of points. Let’s not forget that the New Zealanders themselves took up the Seasprite option, but they adjusted it. They did not go over the top in terms of capability requirements. Their Seasprites have been in operation for quite some time, and I understand that is also the case with the Egyptians. There are issues there around how this government has handled those capability matters.

I wish to make one final point with respect to public scrutiny of what this government
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has done on defence. Parliament is about to break for some six weeks or so. We know that the government is considering a further deployment to Afghanistan, a deployment which Labor support, yet we have had no statement at all from this minister or the Prime Minister about the nature of that deployment. I think that shows, once again, how little they care about this parliament and about consulting with the Australian people through the forums that are supposed to be utilised in this parliament. *(Time expired)*

Mr FAWCETT (Wakefield) (4.26 pm)—I rise to address the matter of public importance which has been raised by the opposition. I note that my time will be limited to about four minutes, which is unfortunate, because the opposition have done their research well in the newspapers; it is a shame they have not done their research well on things such as the Defence Capability Development Manual 2006, which outlines the processes by which the defence department and the government work together on major capability acquisition.

One of the key criticisms in the MPI is the budget, and I would like to address the budget, as well as the process, for the benefit of the House. The opposition talk about mismanagement of the budget. But to put it in some context, under this government we see a commitment to a three per cent growth in the budget, which has enabled us to increase real spending on defence, increase the size of the Defence Force to meet our current needs, as opposed to what the opposition did in government where they decreased defence on a number of occasions from 68,000 people to 50,000. In fact, in the Defence Efficiency Review of 1997 it was even purported to go down to 42,500 full-time personnel. Currently, the budget is around $19.6 billion, with additional funding for current operations, as well as funding for capability needs to be identified, such as the C17 to meet the very real need to transport groups of ADF personnel to operations.

Members opposite also talk about projects and they refer to the fact that projects are delayed. I am disappointed to see their focus on that negative aspect. They obviously do not compare similar capabilities in the industry sector—for example, the A380, which is also late by a number of years and has nothing to do with defence planning—nor do they overlay the complexity of the integrated systems in defence aircraft. If we look at things like the Apache Longbow Program in the UK and similar programs around the world we see that our Defence Force actually compares very well to both industry and other defence forces.

Finally, in terms of the capability, development and procurement process, it is interesting to note that the key principles that underpin the Defence Capability Development Manual not only look at the longer term planning process but also look at flexibility. It states in there:

> Notwithstanding the usually long-range view that is needed for effective capability planning, the capability development system also needs the agility to respond to short notice change in the operational and strategic environment by reordering capability development priorities and by rapid acquisition to fill newly revealed gaps. The core role of that organisation is to make sure that a thorough analysis is done of options so that government has the ability to respond in a timely manner to threats and opportunities that arise.

So it is quite false of the opposition to claim that defence has essentially been cut out of this process and that the minister has made a decision on his own. The whole defence planning process—whether you are talking about the joint military appreciation process that informs tactical and operational activities or whether you are talking about the procurement process—is around analysis of information that provides information for gov-
ernment to make timely decisions to meet opportunities or threats.

There are many other things that I would like to speak of on this bill but, in the remaining one minute, I think it is important to point out Australia’s ability to maintain a balanced force structure which gives us options to defend Australia, to have forward operations in our immediate region or to work in collaboration with partners in other parts of the world. The future security of Australia comes down to the fact that this government has strong economic management which enables us to restore the size of the Australian Defence Force to one which is operationally capable, as well as fund its operations for the benefit of Australia.

Debate interrupted.

ADJOURNMENT

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

That the House do now adjourn.

Howard Government

Mr ALBANESE (Grayndler) (4.30 pm)—After 11 years in office, the Howard government has run out of ideas. Today and yesterday, the Main Committee had no government business to debate. The Main Committee did not sit today as usual, and yesterday it sat for only 90 minutes of three-minute members’ statements. It considered no government legislation. This is a government that has run out of steam. In contrast, over the past 12 weeks, Labor has announced a raft of new policies: a $4.7 billion plan to deliver a national broadband network to Australian households, Labor’s education revolution, Labor’s new directions in clean coal, Labor’s green car innovation fund, and Labor’s support of solar energy in Australian homes.

One would think the Leader of the House would busy himself with ensuring that there was a rich and full parliamentary agenda—but we do not have it. Instead, we have a government that is clearly out of touch, out of ideas, out of legislation and out of time. We know that it has been obsessed by the Work Choices legislation. For years the Prime Minister has wanted that to happen, and finally he got it through. This week the Prime Minister told us that working families in Australia have never been better off. These are the same working families that are under more financial pressure, the same working families that are struggling with four consecutive interest rate rises, the same working families trying to break into an unaffordable housing market, the same working families who, on AWAs, have had at least one protected award condition removed—for example, the families that we heard about today who are working at Darrell Lea and whose conditions are being cut back and their wages frozen for five years.

The Prime Minister has shown us that he is dangerously out of touch, because he has simply gone too far. When it comes to these industrial relations laws, the Prime Minister has gone that one step too far. Indeed, he has changed. Ten years ago on 27 May 1997, the Prime Minister said to the then Leader of the Opposition:

... you will never get from this Prime Minister an arrogant dismissal on the basis of ‘You have never had it so good’ ...

That has gone the way of the ‘never ever’ GST promise.

This week coalition members, including the Prime Minister, have been desperate to say that industrial relations was not on the minds of voters when they cast their vote at the New South Wales election on the weekend. Perhaps most extraordinary is the member for Hinkler who, in his adjournment speech last night, said:
The other thing I want to talk about is the myth that floats around this place about the New South Wales state election, that somehow this was a defeat for the coalition. He actually said that, Mr Speaker. He went on to acknowledge ‘In technical terms it was’. No, it was not. The coalition was soundly defeated. The Liberal Party failed to win a single seat off a Labor government that had been there for 12 years.

It is clear that the new Minister for Employment and Workplace Relations does not even know the detail of his legislation. This week parliament has also seen a significant step forward in the debate on climate change with the visit here by Sir Nicholas Stern. Sir Nicholas Stern has been saying that, according to the most comprehensive economic analysis, the cost of inaction on climate change will be the same as that of both world wars and the Great Depression combined. It will be the Great Depression but with a lot worse weather.

Sir Nicholas Stern suggested that it was time for action, that we have a window of opportunity in the next decade. Stern says ratify Kyoto. Labor will; the Howard government will not. Stern says cut emissions by 60 per cent by 2050. Labor will; the Howard government will not. Stern says introduce a carbon emissions trading scheme. Labor will; the Prime Minister will not. The fact is that John Howard is not listening to the message of not just Sir Nicholas Stern and other prominent economists but also businesses here in Australia.

The Prime Minister has failed to meet the challenges of the new century. He has failed completely to take up the great challenges of dealing with a fair workplace, climate change, our water crisis and our skills crisis. That is why it is so significant that today for the first time— (Time expired)
The average monthly teacher salary under Saddam Hussein was equivalent to $US2 per month. Now they earn the equivalent of $US100. Those figures are from early this year. It has gone from the equivalent of $US2 under Saddam Hussein to $US100. There has been a 27 per cent increase in the number of children enrolled in high school since before the war. Once again, children are able to go freely to school and gain an education. It should be the right of every community—and it is particularly important for children—to be able to gain access to education. That is a 27 per cent increase from those figures prior to the war.

Given what has been achieved in Iraq, I am at an absolute loss to understand why the Labor Party believes that the results to date in Iraq have had, as stated in the MPI, ‘disastrous consequences’. Those figures speak for themselves. The Labor Party has not assisted this government in any way. The alternative—if we had Labor Party policy and it was in government—would have been catastrophic. Many more innocent people would have lost their lives and the remaining people would be still living under a regime run by a tyrannical dictator. It would still be an oppressed and dangerous country to live in.

Our troops in Iraq are very proud of these achievements. By virtue of the MPI, the Labor Party are telling our service men and women that their work has not been worth while. As chair of the defence subcommittee, I paid a visit to our troops in Iraq. It was evident from the soldiers and officers with whom I spoke that they were very proud of the part the coalition forces have played in helping to rebuild Iraq after decades of oppression under Saddam Hussein. Members of this government recognise the value of our coalition allies of like-minded countries who are committed to seeing Iraq stabilised, secure and with a future.

This coalition government and Australians want to see the job through and not cut and run, as would be the case if there were a Labor government. Should we withdraw, it would embolden the terrorists around the world, damage our fight against terrorism and abandon Iraqis. We are not going to do that. The timetable for withdrawal conditions will never be calendar based. The MPI of the Labor Party bears little scrutiny—(Time expired)

Federation of Australia

Mr McMULLAN (Fraser) (4.40 pm)—Everyone in this parliament knows that in 2007 we are facing what looks like a very tight election. I am not going to talk about that. We are also going to face a once in a generation opportunity to transform our federation. The question I want to deal with tonight is: will the Prime Minister use this crucial 18-month period during which no state or territory election is due to fundamentally reform the operations of the federation to save the $9 billion which the Business Council of Australia says the current mismanagement of federal-state relations is costing the economy each year?

The recognition that reform of federal-state relations is the key to the new round of economic and social reform we need over the next decade is spreading. For those of us who can see it, it is a source of constant amazement that the Prime Minister does not seem to have caught up with this new wave of reforms. This could be a once in a generation opportunity to get it right. If we miss it now, it will not be here in three years time. Meanwhile, some opportunities will have been missed or botched, others will have fallen even further behind and, for some, it will just be too late. The reason this is a special opportunity is essentially that we have a Leader of the Opposition with the experience and the will to act, eight state and territory
governments with a rare degree of willingness to respond to reasonable proposals, no state election due for 18 months, advocacy from leaders of the business community for change, the impact of the High Court decision on Work Choices, a growing body of domestic and international academic and bureaucratic reports on the strengths and weaknesses of federalism, and enhanced recognition among Australians that the quality of the services they receive from government is affected by the blame game.

The case for reform on the economic front has been made by the Business Council of Australia, amongst many others. The President of the Business Council of Australia, Michael Chaney, has argued that federal-state relations provide the next big opportunity for a wave of productivity to secure Australia’s future economic prosperity. The case for reform on the social front has also been made extensively on many occasions, including in the unanimous report of the bipartisan House of Representatives Standing Committee on Health and Ageing, which recognised that the community has made it clear that it expects the Commonwealth and states to stop blaming each other for shortcomings in the health system.

Warnings on the economic and social impact if we fail to address these reform opportunities are too great to ignore or even to defer for three years. The economic implications of a failure to get our education performance up to international best practice are already being felt, disguised only by the resources boom. The economic cost of the distortions and duplications arising from the failure to restructure the architecture of our federation has been independently assessed at $9 billion. We cannot allow this to go on year after year. It may already be too late to stop the impact of climate change. We have wasted 10 years; we cannot afford to waste three more getting coordinated action in place. The planets are aligned like never before to bring about reform of our federation, and they may not be so in three years or six years or any other time in the foreseeable future.

The states are increasingly showing signs of willingness to work together to achieve what reforms they can through harmonisation. I am cautiously optimistic that we might see signs of some progress on the harmonisation of payroll tax administration in the very near future. Movement on this front will bring significant benefits to businesses large and small, and to the economy as a whole. This is just a signpost on the road to major cooperative regulatory reform. We will not be able to make more substantial progress without leadership from a federal government that actually believes in cooperative federalism.

We are poised at a crucial point. In this place, we all get caught up with the day-to-day electoral issues; I am no different from everybody else. We all do that, and we have to; we do not survive without it. But from time to time we have to lift our eyes to the horizon and say, ‘There are big issues confronting our country and reform opportunities that may not come again: a once in a generation window of opportunity to reform our federation.’ State governments are willing to participate and are starting to work together to achieve that. Of the business community calling for reform, the Business Council of Australia are the most outspoken, but the Victorian Employers Chamber of Commerce and Industry came to see me the other day with the same argument. The Australian Industry Group are also calling for reform. Business sees it, state governments see it and the opposition see it; we desperately need a government that can see it. It seems particularly clear that a government led by the current Prime Minister, Mr Howard, will never see it. (Time expired)
**Diabetes**

*Mrs MOYLAN* (Pearce) *(4.45 pm)*—

Today in the national parliament we had a very important event. It was hosted by the Parliamentary Diabetes Support Group along with Diabetes Australia and it was to launch their new campaign ‘Turning diabetes around’. It outlined their vision for the future in awareness, prevention, detection, management and cure of diabetes. The fact is that, if we cannot turn this trend around—and we know that about 7.4 per cent of the Australian population has been diagnosed with diabetes; there are a lot more who have not been diagnosed—we will continue to see a lot of human pain and suffering.

The most heart-wrenching impact of the diabetes pandemic is the human cost of poor life quality, including pain and suffering and increased mortality. Diabetes is one of the most common causes of limb amputation. In fact, somebody loses a limb worldwide every 30 seconds as a result of the disease of diabetes and somebody loses their life every 10 seconds somewhere around the world because of diabetes. Some of the other serious complications include blindness, kidney failure, heart attack and stroke.

We were fortunate enough today to have Dr Gary Deed, the President of Diabetes Australia, outline Diabetes Australia’s plan for the future to turn diabetes around. We were also very fortunate to have present Ludde Ingvall, one of Australia’s leading yachtsmen, known perhaps most famously for bringing home the winning *Nicorette* in the three Sydney to Hobart races. Ludde has very generously offered himself as an ambassador to diabetes. At 50 he was diagnosed with type 2, and he talked today in this place about how his life changed and what he had to do to cope with that. We are fortunate to have people like Ludde Ingvall and others who are prepared to speak out and raise awareness on this particular matter.

I have just returned from New York, where I attended the Global Changing Diabetes Leadership Forum. It was really designed so that we could discuss ways in which we could better manage the diabetes pandemic. Bill Clinton, the former President of the United States, was keynote speaker. He said that, although his government did some things to acknowledge the pandemic of diabetes in the United States, he was really disappointed and wished deeply that he had spent more time looking at trend lines in relation to this matter instead of headlines.

To provide some perspective on the problem, diabetes is estimated to affect 246 million people worldwide. That number is expected to grow by 55 per cent, reaching 380 million by 2025. We are very fortunate in Australia because our government is strongly committed to diabetes, and our minister, the Hon. Tony Abbott, Minister for Health and Ageing, spoke on this at the launch today. We do have in government a national health priority so that we can implement policies to achieve prevention, early detection and early treatment. The government has provided $43 million for the National Integrated Diabetes Program and supports the National Diabetes Service Scheme, which in recent years has added insulin pump consumables to the NDSS, much to the relief of many diabetics around the country.

The Global Changing Diabetes Leadership Forum in New York was sponsored by Novo Nordisk, the international insulin supplier, and followed up on the recent historic resolution by the United Nations to designate 14 November as World Diabetes Day, to be observed each year and beginning in 2007. That a resolution was passed in the United Nations, strongly supported by Australia, demonstrates the concern that diabetes raises
worldwide for a resolution to have been passed, strongly supported by Australia, in the United Nations.

The only other health issue that has been the subject of a UN resolution, of course, is AIDS. It gives members in this place some idea of the emphasis on, and the seriousness of, diabetes around the globe and the need for us to arrest the growth and implement policies that will make sure that we deal with the diabetes pandemic. Professor Silink, an Australian professor, is head of the International Diabetes Forum. He spoke in New York and he has been the one who has been very much behind pushing for this UN resolution. I acknowledge the work that he has done and the way in which he has made sure that this matter is raised globally.

**Sea King Helicopter Accident: Second Anniversary**

**Mr Griffin (Bruce) (4.50 pm)** — The Australian men and women who serve in our Defence Force are called upon to brave immense personal risk in the service of our national interest. This is something we should never take for granted. On 2 April 2005, Shark 02, a Sea King helicopter operating a humanitarian relief mission to the quake-stricken Indonesian island of Nias, crashed into a football field and burst into flames. Nine brave Australian men and women died. As we approach the second anniversary of this horrific accident, we honour those who died and remember their sacrifice. It is also an opportunity to reflect on what justice has come of this tragedy and what lessons we should learn from it.

In response to the accident, a military board of inquiry was established in September 2005 to determine the cause of the accident. Its findings are due to be delivered in April this year. While we cannot speculate about the report’s findings until it is released, I wish to bring to the House’s attention an article in yesterday’s edition of the *Bulletin* entitled ‘The fatal journey of Shark 02’ and flag key issues that the Labor Party will hold the government to account for. According to the *Bulletin*, the final report of the military board of inquiry has been finalised and is with the Royal Australian Navy’s Maritime Commander, Rear Admiral Davy Thomas, and the defence minister, Brendan Nelson. I look forward to its release and hope that it will provide the families of victims, as well as the broader community, with much needed answers and a clear sense of what lessons will be learned to ensure that, as far as possible, it will never occur again.

The *Bulletin* article states that the report will likely confirm that the specific mechanical cause of this crash was a loose castellated nut and a missing split pin, but the systemic factors along the chain of command were the foundation of this tragedy. Ms Haila McCarthy, the mother of squadron leader Paul McCarthy, a military doctor who died in the crash, is quoted by the *Bulletin* as saying that the inquiry:

... uncovered issues of poor maintenance practices, a litany of errors and omissions, mismanagement and a lack of resolve and responsibility by middle and senior officers. It also uncovered bureaucratic bungling and inaction over the non-implementation of the Bamaga Board of Inquiry recommendations regarding the installation of crashworthy seats and harnesses for passengers.

The article in the *Bulletin* reminds us that similar safety and maintenance issues were identified following the Sea King crash at Cape York in 1995. Seating problems were highlighted and shoulder harnesses were recommended, apparently to reduce the risk of head injury in crashes. The article also notes an admission by one of the four counsels assisting the inquiry, Captain Michael Slattery, that in March 2003 senior officers knew of noncompliant and lax maintenance practices at 817 Squadron, where the Navy’s
remaining six Sea Kings are housed. The article claims that these systemic failures were not addressed by the current government and continued up to and even after the crash on Nias in April 2005.

The inquiry report will be a critical test of two things. First, it will test the effectiveness and adequacy of an internal board of inquiry as a form of military justice. Will there be a frank and reliable assessment of what went wrong? Will responsibility be appropriately apportioned, or will we see scapegoats? The operation of this particular military board of inquiry has been recognised as more open and accessible to families of the victims and to the media; nonetheless, concerns were expressed that conflicts of interest persisted and attempts were made by individuals to cover up the extent of poor practices.

Second, it will test the government’s ability to take responsibility for addressing problems that it has known about for 11 years. Following the 1995 crash, the government had a precious opportunity to implement the lessons learned on safety for the Sea King helicopters. Now it has that opportunity again—and it should be taken without hesitation. Malcolm Brown reported in the Age on 17 February 2006 that: ‘After several years of deliberation, a decision was made not to transport passengers. But that was reversed in 2003 on the grounds that it was too difficult and costly to make changes and the risk would have to be accepted.’ Yet, while these safety concerns were known, a Sydney Morning Herald article written by Cynthia Banham on 21 April 2005 entitled ‘Sea King inquiry to focus on reliability’ quoted the Prime Minister as saying, ‘There’s no suggestion that this aircraft wasn’t other than very airworthy.’ The then defence minister indicated that the issue of crash worthiness was ‘not relevant’.

The question that will arise over this issue is: where does the buck stop? The Bulletin suggests that the inquiry report will place responsibility with low-rank mechanics and a few senior naval commanders. However, the government’s inaction to date speaks volumes. In view of the government’s poor response to this issue, responsibility must also be apportioned further up the chain of command. The Howard government must answer for 11 years of inaction and denial on this issue. Will the government commit to implementing without delay the findings of the report and those measures necessary to prevent a repeat of this tragedy? The brave men and women of our Defence Force deserve nothing less.

I would also be remiss not to mention that our thoughts are with Cynthia Banham, whom I have mentioned—the well-known journalist from the Sydney Morning Herald who was severely injured in the recent crash in Indonesia. We wish her all the very best in her recovery and we honour her work in this area.

Antarctica

Mr WOOD (La Trobe) (4.55 pm)—I had the privilege over the summer break to travel down to Antarctica to represent the Australian government. It was an amazing experience. In getting there, I was on a boat for most of the time and found that I did not have the best of sea legs but, like others, I made the most of that trip. I also congratulate our amazing Australian scientists, who are world leaders with their passion for the environment, and all the tradies and others who go down there for either winter or summer periods.

Antarctica will be defined forever by the golden age of Antarctic exploration of the early 20th century. We owe much to stories of men like Mawson, Shackleton, Amundsen and Scott, who sought to tame the wild white
continent. Our challenge today is a different one. Our challenge is to remove the deep footprints that a century of human traffic has left upon the Antarctic landscape.

In Antarctica, rubbish has been disposed of through creating domestic style rubbish tips, open burning and what is known as sea icing, where rubbish is bulldozed onto the sea ice during the winter to be carried off when the sea ice breaks up in the summer. This practice is no longer in place and now all rubbish is brought back to the mainland. Sewage was disposed of by direct ocean dumping and by burning in gas-fired toilets. Spilt fuel and lubricants from vehicles and machinery were simply left behind. Although the environmental danger of these practices is now recognised, contaminated sites exist at active and abandoned research stations across Antarctica.

A prime example is Wilkes station, which was built in 1957. In 1969, Wilkes was closed down because of fuel seepage. Today there are a series of storage dumps and a considerable amount of rubbish has been left behind from the 12 years that the site was occupied. There are 40 icebound buildings and a tip containing literally 7,000 shipping containers’ worth of rubbish. Over the years, there have been a number of partial clean-ups and the site is currently being addressed to determine the appropriate strategy. It has been estimated that a full-scale clean up of Wilkes will cost around $35 million. I am currently urging my government to do whatever it can to provide funding for this clean-up, but perhaps I could also say that this has been a problem for successive governments.

There are also footprints at the Davis station. The Davis waste water treatment plant has not been performing to desired standards and at times has been releasing poor quality effluent into the sea. Although the waste still meets Madrid protocol standards, I believe that we should be taking the lead and doing everything we can to raise the quality of effluent outflows. I am pleased that the work to replace the Davis wastewater treatment plant has been scheduled, but it does not commence until 2010-11. That is still three to four years away and I believe that we should be doing more sooner in order to protect the fragile Antarctic ecosystem.

People have also left their footprints upon Macquarie Island, the tiny sub-arctic island that is 1,500 kilometres south-east of Tasmania. Macquarie Island’s landscape is disintegrating rapidly because of a rabbit plague. As a result, the homes of vast congregations of wildlife are under threat. This is a world heritage area. If left unchecked, this could cause environmental catastrophe. Rabbit numbers have increased dramatically since 2001 and are tearing the landscape to shreds. Rabbits eat and damage leaves, destroy flowers, kill seedlings and destroy root systems, which erodes the island’s steep peat-covered slopes and causes landslips.

On my trip, the scientists pointed out to me that this was their No. 1 environmental issue, which they wanted urgently addressed by the Howard government. I am thrilled that the Australian government has committed half the funding, at a cost of $24.6 million, of a rabbit and rodent eradication program. This is a matter I have raised personally with Minister Turnbull. I congratulate him on taking up this issue, which is so vitally important for a world heritage area; he acted very swiftly.

The SPEAKER—It being 5 pm, the debate is interrupted. The House stands adjourned until Tuesday, 8 May 2007 at 2 pm, in accordance with the resolution agreed to this sitting.

House adjourned at 5.00 pm until Tuesday, 8 May 2007 at 2.00 pm
PHOTOGRAPHS

QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS

Renewable Energy

Mr HOWARD—I wish to correct a statement I made on 28 March 2007 in Questions Without Notice: Additional Answers relating to renewable energy. The member for Melbourne Ports asked me a question about a company called Global Renewables. As part of my answer I said:

NRET—
which I think was the Northern Territory renewable energies trading scheme—

VRET—
which is a Victorian renewable energies trading scheme.

In fact, the abbreviation NRET refers to the New South Wales Renewable Energy Target and the VRET refers to the Victorian Renewable Energy Target.
QUESTIONS IN WRITING

Broadband Services
(Question No. 4692)

Ms Gillard asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 9 October 2006:
For the postcode area (a) 3024, (b) 3026, (c) 3028, (d) 3029, (e) 3030, (f) 3211, (g) 3335, (h) 3337, (i) 3338, (j) 3340 and (k) 3427: (a) how many Expressions of Interest for broadband connections have been received by Telstra since 1 June 2006; (b) under Telstra’s Demand Register system, how many Expressions of Interest would be required to prompt the implementation of a broadband network; and (c) how many Expressions of Interest for broadband connections have been added to the Demand Register since 1 June 2006.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:
Telstra has advised that its Exchange Service Areas are not postcode specific and that it is therefore unable to provide the information requested.
Of the 12 Telstra Exchanges providing services in the nominated postcode areas, only the Derrimut Exchange cannot provide the ADSL product. Telstra has advised that there are no plans to upgrade the Derrimut exchange as Telstra provides broadband in the area via its Next G wireless technology.
Telstra has advised that it has ceased to operate its ADSL Demand Register as of 8 December 2006.

Sydney (Kingsford Smith) Airport
(Question No. 4863)

Mr Murphy asked the Minister representing the Minister for Justice and Customs, in writing, on 2 November 2006:
(1) Further to the Minister’s reply to Part (2) (a) of question No. 3822 (Hansard, 30 October 2006, page 126), what are the full details of the incident concerning the corrupt behaviour, involving narcotics, of a baggage-handler at Sydney International Airport, including (a) the date, (b) a full description of the corrupt behaviour and (c) a full description of the circumstances leading to the discovery of the corrupt behaviour.
(2) Can the Minister advise the grade and quantity of narcotics concerned in the baggage-handler’s corrupt behaviour.
(3) Is the Minister able to say how long the baggage handler was engaged in corrupt conduct before a discovery was made and action taken; if so, what are the full details; if not, why not.
(4) Can the Minister be certain that the corrupt baggage-handler did not have access to the baggage make-up area in Sydney International Airport where CCTV cameras were discovered to be pointing in the wrong direction or out of focus; if so, why; if not, why not.
(5) Did (a) an Australian Federal Police (AFP) officer, (b) an Australian Customs Service (Customs) officer or (c) some other person first suspect, or become aware, that a baggage-handler was engaged in corrupt behaviour, and when was this discovery made; if the discovery was made by a person other than a Customs or an AFP officer, what was the occupation of that person.
(6) Can the Minister provide details of the officer, or other person, who observed or suspected the baggage-handler’s corrupt conduct, including details of (a) any written report, (b) any oral report, (c) to whom each report was made, (d) the date of each report and (e) the action taken by the recipient(s) of each report, including the date on which the action was taken; if not, why not.
(7) Have inquiries been undertaken by (a) the AFP, (b) any government department, (c) Sydney Airport Corporation Limited or (d) any other organisation to (i) establish whether the baggage-handler had acted in unison with other individuals, (ii) ascertain whether there have been other incidents or allegations of corrupt or irregular behaviour by employees of any organisation, the workplace of which is located at Sydney International Airport, within those premises and (iii) establish preventative measures to avert future occurrences of corrupt or irregular conduct involving narcotics at Sydney International Airport; if so, what were the findings, conclusions and recommendations of each inquiry; if no inquiries have been conducted, why not.

(8) Can the Minister provide full details of the court or disciplinary proceedings dealing with the corrupt conduct, involving narcotics, of the baggage-handler at Sydney International Airport, including (a) the court or tribunal in which proceedings were conducted, (b) the conclusions and orders of the court or tribunal and (c) whether an appeal has been brought against any of these decisions and if so, the details of the appeal; if not, why not.

Mr Ruddock—The Minister for Justice and Customs has provided the following answer to the honourable member’s question:

(1) (a) A joint investigation commenced involving the AFP, the NSW Police and the NSW Crime Commission (NSWCC) on 17 December 2004.

(b) Upon arrival at Sydney Kingsford Smith International Airport, (SKSA) luggage containing narcotics was diverted by a baggage handler prior to an Australian Customs Service examination. The narcotics were then supplied to members of the syndicate.

(c) The corrupt behaviour was identified during the course of the investigation. As this matter is before the courts, it would be inappropriate to comment any further.

(2) The seven kgs of cocaine seized from the October 2004 importation was tested by the National Measurement Institute (NMI) and the average purity level was 65%. Cocaine is not graded by the NMI.

(3) No

(4) The investigation has no information regarding this question.

(5) (a) No.

(b) No.

(c) The corrupt behaviour was discovered when a human source approached the NSWCC in December 2004 and provided details of the methods used by the syndicate to import drugs through the airport. The human source was told this information sometime after June 2004. Human source information will not be disclosed.

(6) No specific target was identified at SKSA by the AFP prior to the resolution of the operation in May 2005. Inquiries are continuing and it would not be appropriate to comment on a current investigation.

(7) (a) Yes.

(b) I cannot comment if other government departments made enquiries.

(c) I cannot comment if the Sydney Airport Corporation Limited made enquiries.

(d) I cannot comment if any other organisations made enquiries.

(i) Evidence will likely be presented in court that persons had contact at SKSA. They may have been Qantas baggage handlers or other staff and they are not specifically identified in the brief of evidence. As this matter is before the courts, it would be inappropriate to comment any further.

(ii) I am unable to provide that information.
(iii) I am unable to provide that information.

(8) (a) No. Due to the secrecy provision relating to the disclosure of NSWCC information, I am not in a position to comment on hearings or even confirm if any were held. It would be more appropriate for this question to be referred to the NSWCC for comment.

(b) No.

(c) No.

Transport and Regional Services: Graduate Program
( Question No. 5015)

Mr Kelvin Thomson asked the Minister for Transport and Regional Services, in writing, on 7 December 2006:

(1) For 2006, what was the estimated cost to the Minister’s department and agencies of the Graduate Program, including (a) recruitment, (b) program, (c) travel, (d) external training and (e) internal administrative costs.

(2) At 6 December 2006, what was the retention rate for the department’s 2005 Graduate Program intake.

(3) In 2006, how many Departmental Liaison Officers did the Minister’s department and agencies provide to the officers of Ministers and Parliamentary Secretaries.

Mr Vaile—The answer to the honourable member’s question is as follows:

Department of Transport and Regional Services

(1) (a) Recruitment - $282,853
(b) Program (including training) – $65,265
(c) Travel – $7,000
(d) External Training – $0
(e) Internal Administrative Costs – $206,555

¹ Item 1 a) is based on actual costs. Items 1 b) and 1 c) are estimated as actual data will require a significant diversion of resources to obtain, which I am not prepared to authorise

² This cost is based on direct employee costs of the staff managing the program together with a notional allocation of corporate overheads

(2) 71%.

(3) The Prime Minister will respond to this part of the question.

Airservices Australia

(1) (a) Recruitment - $750
(b) Program (including training) – Nil. In-house training provided by Airservices staff at no additional cost
(c) Travel – $4,500
(d) External Training – Nil
(e) Internal Administrative Costs – $6,800

(2) 67%.

(3) Nil.
Defence: Questions in Writing
(Question No. 5237)

Mr Kelvin Thomson asked the Minister for Defence, in writing, on 7 December 2006:
(1) Since 1 July 2005, how many Questions in Writing has the Minister received.
(2) In respect of the questions referred to in Part (1), what proportion has been fully answered and how many are yet to be answered.

Dr Nelson—The answer to the honourable member’s question is as follows:
(1) 430
(2) As at 15 March 2007, 363 and 67 respectively.

Volunteer Small Equipment Grants
(Question No. 5292)

Ms King asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 6 February 2007:
Can he say how Senator Julian McGauran acquired the information that enabled him to telephone organisations in the federal electorate of Ballarat on 21 November 2006 to inform them that their applications for a Small Volunteer Equipment Grant 2006 had been successful, when (a) the funding announcement for the Small Volunteer Equipment Grants was not made until 27 November 2006 and (b) my office did not receive this information until 30 November 2006.

Mr Brough—The answer to the honourable member’s question is as follows:
It is quite appropriate for a Senator for Victoria to personally inform volunteer groups of their success under a Government grants program.

Media Ownership
(Question No. 5341)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 6 February 2007:
(1) Further to the reply to question No 5284, will the Minister rule out News Limited being allowed to purchase, own and control the Channel Ten Television Network; if not, why not.
(2) When will the Minister grant a fourth free-to-air television licence to a new media company.
(3) When will the Minister grant another pay-TV television licence to a new media company.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:
(1) No. The honourable member’s attention is directed to the Minister’s answer to Question 5284, which explains the role of the ACCC in assessing competition issues relating to media mergers and acquisitions.
(2) As outlined in the Government’s 2004 Election Policy document, 21st Century Broadcasting, the Government’s opinion is that current arrangements with the three existing commercial television licences in major markets appear to be working well in delivering quality free-to-air television to Australians. The Government also believes that the issuing of commercial television licences has historically been a matter for the government of the day. Therefore, as part of the recent package of media reforms, power to issue a fourth commercial television licence has been vested in the government of the day.

QUESTIONS IN WRITING
Section 96 of the Broadcasting Services Act 1992 enables ACMA to issue subscription television broadcasting licences. There is no regulatory inhibition to new subscription television operators entering the Australian market.

Parramatta Electorate: Export Assistance

(Question No. 5364)

Ms Owens asked the Minister for Trade, in writing, on 7 February 2007:

(1) How many companies in the federal electorate of Parramatta received export assistance in (a) 2003, (b) 2004, (c) 2005 and (d) 2006.

(2) For each case identified in Part (1), what was the (a) name of the company, (b) sum received and (c) purpose of the grant.

Mr Truss—The answer to the honourable member’s question is as follows:

(1) (a) In the 2002-03 financial year, 20 businesses in the electorate of Parramatta received grants under the Export Market Development Grants scheme.

(b) In the 2003-04 financial year, 19 businesses in the electorate of Parramatta received grants under the Export Market Development Grants scheme.

(c) In the 2004-05 financial year, 18 businesses in the electorate of Parramatta received grants under the Export Market Development Grants scheme.

(d) In the 2005-06 financial year, 12 businesses in the electorate of Parramatta received grants under the Export Market Development Grants scheme.

Note: Austrade’s EMDG records of grants to each federal electorate are kept on a financial year basis. The answers above cover the financial years corresponding to the honourable member’s question.

(2) The (a) name of each grant recipient and (b) sum received is provided in the attached tables. (c) The purpose of EMDG grants is to assist small and medium sized Australian businesses to enter export markets and become sustainable exporters by reimbursing up to 50 per cent of eligible export promotion expenses above a threshold of $15,000.

The maximum grant is $150,000 per annum and a maximum number of seven grants is payable to an individual recipient. The eligible export promotion expenses that applicants may claim for their grant are those incurred on overseas representatives, marketing consultants, overseas marketing visits, communications, free samples, participation in trade fairs, promotional literature and advertising and visits to Australia by overseas buyers. Eligibility for an EMDG grant is determined in accordance with specific eligibility criteria as set out in the Export Market Development Grants Act 1997.
Export Market Development Grants paid in the electorate of Parramatta 2002-03*

<table>
<thead>
<tr>
<th>Recipient Name</th>
<th>Address</th>
<th>Suburb</th>
<th>State</th>
<th>Pcode</th>
<th>Grant</th>
<th>Industry</th>
</tr>
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<tbody>
<tr>
<td>Accelerated Learning Worldwide Pty Ltd</td>
<td>64 Macquarie Street</td>
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<td>$56,611</td>
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<tr>
<td>ACO-Polycrete Pty Ltd Advanced Carts</td>
<td>185 Briens Road</td>
<td>NORTHMEAD NSW 2152</td>
<td>$14,265</td>
<td>Concrete Product Manufacturing</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>10 Spireton Place</td>
<td>PENDLE HILL NSW 2145</td>
<td>$11,009</td>
<td>Fabricated Metal Product Manufacturing</td>
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<tr>
<td>Argus Technologies (Australia) Pty Ltd</td>
<td>Unit 2C, 6 Boundary Road</td>
<td>NORTHMEAD NSW 2152</td>
<td>$105,979</td>
<td>Telecommunication, Broadcasting and Transceiving Equipment Manufacturing</td>
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<td>Barns Australia Pty Ltd</td>
<td>Unit 2, 91 Wigram Street</td>
<td>HARRIS PARK NSW 2150</td>
<td>$38,019</td>
<td>Fruit and Vegetable Processing</td>
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<td>Ce’ Nedra Pty Ltd</td>
<td>18-40 Anderson Street</td>
<td>PARRAMATTA NSW 2150</td>
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<td>CHK Wireless Technologies Australia Pty Ltd</td>
<td>31 Hope Street</td>
<td>ERMINGTON NSW 2115</td>
<td>$37,105</td>
<td>Electrical and Equipment Manufacturing</td>
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<td>Foxtip Pty Ltd</td>
<td>24-26 Clyde Street</td>
<td>RYDALMERE NSW 2116</td>
<td>$5,000</td>
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<tr>
<td>Imaxeon Pty Ltd</td>
<td>Unit 2, 38-46 South Street Macquarie Cottage, 30 Elizabeth Street</td>
<td>RYDALMERE NSW 2116</td>
<td>$27,481</td>
<td>Electronic Equipment Manufacturing</td>
<td></td>
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<tr>
<td>Information Technology Project Management Pty Ltd Juddani Enterprises (Aust) Pty Ltd Kelvindale Products Pty Ltd MSA (Aust) Pty Ltd</td>
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<td>GIRAWEEN NSW 2145</td>
<td>$11,384</td>
<td>Business Management Services</td>
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<td></td>
<td>Unit 14, 17 Amax Avenue</td>
<td>GIRAWEEN NSW 2145</td>
<td>$11,535</td>
<td>Grocery Wholesaling</td>
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<td>32 Clyde Street</td>
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<td>$20,037</td>
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<td></td>
<td>137 Gilba Road</td>
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<td>$17,710</td>
<td>Mining and Construction Machinery Manufacturing</td>
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QUESTIONS IN WRITING
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<tr>
<th>Recipient Name</th>
<th>Address</th>
<th>Suburb</th>
<th>State</th>
<th>Pcode</th>
<th>Grant</th>
<th>Industry</th>
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<td>Units 62-63, 48-50 George Street</td>
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<td>Quantum Technology Pty Ltd</td>
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<td>Medical and Surgical Equipment Manufacturing</td>
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<td>Security Plastics Pty Ltd</td>
<td>7/40 Brodie Street</td>
<td>RYDALMERE</td>
<td>NSW</td>
<td>2116</td>
<td>$7,417</td>
<td>Paper Stationery Manufacturing</td>
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<tr>
<td>Sydney Graduate School of Management Ltd</td>
<td>41 Hunter Street</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
<td>$27,489</td>
<td>Education</td>
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<tr>
<td>Sydney West International College Pty Ltd</td>
<td>St. Vincent Building, 158</td>
<td>WESTMEAD</td>
<td>NSW</td>
<td>2145</td>
<td>$9,110</td>
<td>Education</td>
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<tr>
<td>Wedge Industries Pty Ltd</td>
<td>152 Bungaree Road</td>
<td>PENDLE HILL</td>
<td>NSW</td>
<td>2145</td>
<td>$26,719</td>
<td>Prefabricated Building Manufacturing</td>
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<td><strong>Total Grants Paid:</strong></td>
<td><strong>20</strong></td>
<td></td>
<td></td>
<td><strong>$609,200</strong></td>
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*Grants paid in 2002-03 for 2001-02 grant year only; supplementary and other payments for previous grant years not included.

NB The electorate that each business is located in has been determined using Australian Electoral Commission information and, where necessary, advice from relevant electorate offices.

Information sourced from Austrade EMDG database, September 2003.

Export Market Development Grants paid in the electorate of Parramatta in 2003-04*

<table>
<thead>
<tr>
<th>Recipient Name</th>
<th>Address</th>
<th>Suburb</th>
<th>State</th>
<th>Pcode</th>
<th>Grant</th>
<th>Industry</th>
</tr>
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<tbody>
<tr>
<td>Advanced Carts Pty Ltd</td>
<td>10 Spireton Place</td>
<td>PENDLE HILL</td>
<td>NSW</td>
<td>2145</td>
<td>$26,685</td>
<td>Manufacturing of Specialised Food Delivery Carts</td>
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<tr>
<td>Argus Technologies (Australia) Pty Ltd</td>
<td>Unit 2c, 6 Boundary Road</td>
<td>NORTHMEAD</td>
<td>NSW</td>
<td>2152</td>
<td>$153,854</td>
<td>Telecommunication, Broadcasting and Transceiving Equipment Manufacturing</td>
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<tr>
<td>Callington Haven Pty Ltd</td>
<td>2 Euston Street</td>
<td>RYDALMERE</td>
<td>NSW</td>
<td>2116</td>
<td>$58,245</td>
<td>Specialty Chemicals Manufacturing</td>
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<tr>
<td>Ce’ Nedra Pty Ltd</td>
<td>18-40 Anderson Street</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
<td>$34,191</td>
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QUESTIONS IN WRITING
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<th>Recipient Name</th>
<th>Address</th>
<th>Suburb</th>
<th>State</th>
<th>Pcode</th>
<th>Grant</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwave Pty Ltd &amp; Metal Recycler.com Pty Ltd</td>
<td>230 Toongabbie Road</td>
<td>GIRRAWEEN</td>
<td>NSW</td>
<td>2145</td>
<td>$16,050</td>
<td>Metal Recycling Services</td>
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<tr>
<td>Goodyear Belting Pty Ltd</td>
<td>Level 2, 480 Church Street</td>
<td>NORTH PARRAMATTA</td>
<td>NSW</td>
<td>2151</td>
<td>$40,046</td>
<td>Manufacturing</td>
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<tr>
<td>Huxley Australia Export Pty Ltd</td>
<td>10 Phillip Street</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
<td>$26,968</td>
<td>Consulting Engineering Services</td>
</tr>
<tr>
<td>Inmaxeon Pty Ltd</td>
<td>Unit 2, 38-46 South Street</td>
<td>RYDALMERE</td>
<td>NSW</td>
<td>2116</td>
<td>$14,790</td>
<td>Electronic Equipment Manufacturing</td>
</tr>
<tr>
<td>Janus Tours Australia Pty Ltd</td>
<td>13 Freestone Avenue</td>
<td>CARLINGFORD</td>
<td>NSW</td>
<td>2118</td>
<td>$17,376</td>
<td>Inbound Tourism Services</td>
</tr>
<tr>
<td>Pacific International Suites Parramatta Pty Ltd</td>
<td>Corner Parkes and Valentine Avenues</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
<td>$12,743</td>
<td>Accommodation</td>
</tr>
<tr>
<td>Pen Computer Systems Pty Ltd</td>
<td>Level 6, 10-14 Smith Street</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
<td>$12,013</td>
<td>Computer Consultancy Services</td>
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<tr>
<td>Pendle Ham &amp; Bacon Curers Pty Ltd</td>
<td>138 Bungaree Road</td>
<td>PENDLE HILL</td>
<td>NSW</td>
<td>2145</td>
<td>$5,000</td>
<td>Bacon, Ham and Smallgood Manufacturing</td>
</tr>
<tr>
<td>Predictive Technology Pty Ltd</td>
<td>Unit 29, 2 O’Connell Street</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
<td>$47,347</td>
<td>Business Management Services</td>
</tr>
<tr>
<td>Quality Society of Australasia Limited</td>
<td>Level 3, 28 George Street</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2124</td>
<td>$26,661</td>
<td>Professional Development and Certification Services</td>
</tr>
<tr>
<td>Quantum Technology Pty Ltd</td>
<td>2/5 South Street</td>
<td>RYDALMERE</td>
<td>NSW</td>
<td>2116</td>
<td>$49,610</td>
<td>Manufacturer of Products to Assist the Visually Impaired</td>
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<td>Success Venture Pty Ltd</td>
<td>30 Phillip Street</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
<td>$18,756</td>
<td>Accommodation</td>
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<td>Sydney Graduate School of Management Ltd</td>
<td>41 Hunter Street</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
<td>$20,276</td>
<td>Educational Services</td>
</tr>
<tr>
<td>Sydney West International College Pty Ltd</td>
<td>St Vincent Building, 158 Hawkesbury Road</td>
<td>WESTMEAD</td>
<td>NSW</td>
<td>2145</td>
<td>$11,307</td>
<td>Education</td>
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<tr>
<td>Yorke Educational Centre Pty Ltd</td>
<td>7 Argyle Street</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
<td>$5,000</td>
<td>Book and Magazine Wholesaling</td>
</tr>
</tbody>
</table>
Total Grants Paid: 19

$596,918

* Includes grants paid in the 2003-04 financial year for the 2002-03 grant year only.

The electorate that each business is located in has been determined using Australian Electoral Commission information and, where necessary, advice from relevant electorate offices.

Information sourced from Austrade EMDG database, August 2004.

Export Market Development Grants paid in the electorate of Parramatta in 2004-05*

<table>
<thead>
<tr>
<th>Recipient Name</th>
<th>Address</th>
<th>Suburb</th>
<th>State</th>
<th>Pcode</th>
<th>Grant</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advanced Carts Pty Ltd</td>
<td>10 Spireton Place</td>
<td>PENDLE HILL</td>
<td>NSW</td>
<td>2145</td>
<td>$18,521</td>
<td>Food Cart Manufacturing</td>
</tr>
<tr>
<td>Allegro Import Export (Aust) Pty Ltd</td>
<td>12 Hope Street</td>
<td>ERMINTON</td>
<td>NSW</td>
<td>2115</td>
<td>$78,513</td>
<td>Manufacturing</td>
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<tr>
<td>Ce’ Nedra Pty Ltd</td>
<td>18-40 Anderson Street</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
<td>$41,662</td>
<td>Accommodation</td>
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<tr>
<td>Elite Technology Group Pty Ltd</td>
<td>22 Bridge Street</td>
<td>RYDALMERE</td>
<td>NSW</td>
<td>2116</td>
<td>$10,024</td>
<td>Photographic Equipment Wholesaling</td>
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<tr>
<td>Filablok Pty Ltd</td>
<td>32 Clyde Street</td>
<td>RYDALMERE</td>
<td>NSW</td>
<td>2116</td>
<td>$94,840</td>
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<tr>
<td>Imaxeon Pty Ltd</td>
<td>Unit 2, 38-46 South Street</td>
<td>RYDALMERE</td>
<td>NSW</td>
<td>2116</td>
<td>$17,229</td>
<td>Electronic Equipment Manufacturing</td>
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<tr>
<td>Kuddoldand Pty Ltd</td>
<td>154 Kissing Point Road</td>
<td>DUNDAS</td>
<td>NSW</td>
<td>2117</td>
<td>$56,295</td>
<td>Novelty and Game Retailing</td>
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<tr>
<td>Leery Productions Pty Ltd</td>
<td>8 Melville Street</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
<td>$5,000</td>
<td>Animation Studio</td>
</tr>
<tr>
<td>Metalrecyclers.com Pty Ltd and Recycle Corp Pty Ltd</td>
<td>230 Toongabbie Road</td>
<td>GIRRAWEEN</td>
<td>NSW</td>
<td>2145</td>
<td>$17,638</td>
<td>Metal Recycling Services</td>
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<tr>
<td>MHS Training Pty Ltd</td>
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<td>HARRIS PARK</td>
<td>NSW</td>
<td>2150</td>
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<td>Business Management Services</td>
</tr>
<tr>
<td>Pacific International Suites Parramatta Pty Ltd</td>
<td>Corner Parkes Street and Valentine Avenue</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
<td>$5,000</td>
<td>Accommodation</td>
</tr>
<tr>
<td>Pen Computer Systems Pty Ltd</td>
<td>Level 6, 10-14 Smith Street</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
<td>$27,002</td>
<td>Software Development</td>
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<td>Pendle Ham &amp; Bacon Curers Pty Ltd</td>
<td>138 Bungaree Road</td>
<td>PENDLE HILL</td>
<td>NSW</td>
<td>2145</td>
<td>$5,000</td>
<td>Farm Produce and Supplies Wholesaling</td>
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QUESTIONS IN WRITING
## QUESTIONS IN WRITING

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<th>Recipient Name</th>
<th>Address</th>
<th>Suburb</th>
<th>State</th>
<th>Pcode</th>
<th>Grant</th>
<th>Industry</th>
</tr>
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<tbody>
<tr>
<td>Predictive Technology Pty Ltd</td>
<td>Unit 29, 2 O’Connell Street</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
<td>$12,090</td>
<td>Business Management Services</td>
</tr>
<tr>
<td>Quality Society of Australasia Limited</td>
<td>Level 3, 28 George Street</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
<td>$54,628</td>
<td>Professional Development and Certification Services</td>
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<td>Success Venture Pty Ltd</td>
<td>30 Phillip Street</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
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<td>Accommodation</td>
</tr>
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<td>Sydney Graduate School of Management Ltd</td>
<td>Level 6, 34 Charles Street</td>
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<tr>
<td>Sydney West International College Pty Ltd</td>
<td>St Vincents Building, 158 Hawkesbury Road</td>
<td>WESTMEAD</td>
<td>NSW</td>
<td>2145</td>
<td>$7,664</td>
<td>Education</td>
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</tbody>
</table>

**Total Grants Paid: 18**

$607,653

*Includes grants paid in the 2004-05 financial year for the 2003-04 grant year only.

The electorate that each business is located in has been determined using Australian Electoral Commission information and, where necessary, advice from relevant electorate offices.

Information sourced from Austrade EMDG database, July 2005.

Export Market Development Grants paid in the electorate of Parramatta in 2005-06*

<table>
<thead>
<tr>
<th>Recipient Name</th>
<th>Address</th>
<th>Suburb</th>
<th>State</th>
<th>Pcode</th>
<th>Grant</th>
<th>Industry</th>
</tr>
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<tbody>
<tr>
<td>Alan Walker College of Evangelism Inc</td>
<td>6 Lincluden Place</td>
<td>OATLANDS</td>
<td>NSW</td>
<td>2117</td>
<td>$6,418</td>
<td>Educational Services</td>
</tr>
<tr>
<td>Australian Adventure Tours Pty Ltd</td>
<td>32 Clyde Street</td>
<td>RYDALMERE</td>
<td>NSW</td>
<td>2116</td>
<td>$124,650</td>
<td>Inbound Tourism</td>
</tr>
<tr>
<td>Ce’Nedra Pty Ltd</td>
<td>18-40 Anderson Street</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
<td>$43,202</td>
<td>Accommodation</td>
</tr>
<tr>
<td>Igor Fedotov</td>
<td>36 Northam Drive</td>
<td>NORTH ROCKS</td>
<td>NSW</td>
<td>2151</td>
<td>$5,000</td>
<td>Music and Theatre Productions</td>
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<tr>
<td>Ilumino Pty Limited</td>
<td>12 Mary Parade</td>
<td>RYDALMERE</td>
<td>NSW</td>
<td>2116</td>
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<td>Computer Equipment Manufacturing</td>
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<td>Interadd Pty Ltd</td>
<td>141 Gilba Road</td>
<td>GIRRAWEEN</td>
<td>NSW</td>
<td>2145</td>
<td>$36,250</td>
<td>Automotive Component Manufacturing</td>
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</table>

**Total Grants Paid: 18**

$607,653
<table>
<thead>
<tr>
<th>Recipient Name</th>
<th>Address</th>
<th>Suburb</th>
<th>State</th>
<th>Pcode</th>
<th>Grant</th>
<th>Industry</th>
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<td>31-33 Allen Street</td>
<td>HARRIS PARK</td>
<td>NSW</td>
<td>2150</td>
<td>$15,857</td>
<td>Educational Services - Music</td>
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<td>Jozette Pty Ltd</td>
<td>19 Edwin Street</td>
<td>OATLANDS</td>
<td>NSW</td>
<td>2117</td>
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<td>Clothing Wholesaling</td>
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<td>Metal Recyclers.com Pty Ltd &amp; Recycle Corp Pty Ltd</td>
<td>230 Toongabbie Road</td>
<td>GIRRAWEEN</td>
<td>NSW</td>
<td>2145</td>
<td>$15,095</td>
<td>Recycled Product Manufacturing</td>
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<tr>
<td>MHS Training Pty Ltd</td>
<td>80 Weston Street</td>
<td>HARRIS PARK</td>
<td>NSW</td>
<td>2150</td>
<td>$143,580</td>
<td>Recruitment and Training Services</td>
</tr>
<tr>
<td>Omega Tanker &amp; Trailers Pty Ltd</td>
<td>6 Grand Avenue</td>
<td>CAMELLIA</td>
<td>NSW</td>
<td>2142</td>
<td>$5,000</td>
<td>Motor Vehicle Body Manufacturing</td>
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<tr>
<td>Pacific International Suites Parramatta Pty Ltd</td>
<td>Corner Parkes and Valentine Avenue</td>
<td>PARRAMATTA</td>
<td>NSW</td>
<td>2150</td>
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</tbody>
</table>

*Includes grants paid in the 2005-06 financial year for the 2004-05 grant year only.

The electorate that each business is located in has been determined using Australian Electoral Commission information and, where necessary, advice from relevant electorate offices.

Information sourced from Austrade EMDG database, September 2006.
Shoal Bay Receiving Station
(Question No. 5451)

Mr Melham asked the Minister for Defence, in writing, on 15 February 2007:
(1) How many personnel currently work at the Shoal Bay Receiving Station in Darwin, Northern Territory.
(2) Which private contractors currently provide personnel or deliver services to the Shoal Bay Receiving Station.

Dr Nelson—The answer to the honourable member’s question is as follows:
(1) 73.
(2) Boeing Australia, Serco Sodexho, Spotless and Chibb. Raytheon also undertakes some work at the site as a subcontractor to Boeing.