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SITTING DAYS—2007

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- ADELAIDE 972 AM
- PERTH 585 AM
- HOBART 747 AM
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FORTY-FIRST PARLIAMENT
FIRST SESSION—NINTH 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

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### PARTY ABBREVIATIONS

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

### Heads of Parliamentary Departments

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

Prime Minister
The Hon. John Winston Howard MP

Minister for Transport and Regional Services and Deputy Prime Minister
The Hon. Mark Anthony James Vaile MP

Treasurer
The Hon. Peter Howard Costello MP

Minister for Trade
The Hon. Warren Errol Truss MP

Minister for Defence
The Hon. Dr Brendan John Nelson MP

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

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

Attorney-General
The Hon. Philip Maxwell Ruddock MP

Minister for Finance and Administration, Leader of the Government in the Senate and Vice-President of the Executive Council
Senator the Hon. Nicholas Hugh Minchin

Minister for Agriculture, Fisheries and Forestry and Deputy Leader of the House
The Hon. Peter John McGauran MP

Minister for Immigration and Citizenship
The Hon. Kevin James Andrews MP

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

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

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

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

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

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

Minister for Human Services
Senator the Hon. Christopher Martin Ellison

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

Minister for Fisheries, Forestry and Conservation and Manager of Government Business in the Senate
Senator the Hon. Eric Abetz

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

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

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

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

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

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

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

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

Parliamentary Secretary to the Minister for Health and Ageing
Senator the Hon. Brett John Mason
SHADOW MINISTRY

Leader of the Opposition
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
Martin John Ferguson MP
Joel Andrew Fitzgibbon MP
Peter Robert Garrett MP
Alan Peter Griffin MP
Senator Joseph William Ludwig
Senator Kate Alexandra Lundy
Jennifer Louise Macklin MP
Robert Bruce McClelland MP
Senator Jan Elizabeth McLucas
Shadow Minister for Federal/State Relations, Shadow Minister for International Development Assistance and Deputy Manager of Opposition Business in the House
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 am and read prayers.

WORKPLACE RELATIONS AMENDMENT (A STRONGER SAFETY NET) LEGISLATION

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (9.01 am)—In the absence of the Leader of the House, and on his behalf, I move:

That in relation to proceedings on the Workplace Relations Amendment (A Stronger Safety Net) Bill 2007, so much of the standing and sessional orders be suspended to enable:

(1) at the conclusion of the second reading debate, not including a Minister speaking in reply, or at 5.30 p.m. on Wednesday, 30 May 2007, whichever is the earlier, a Minister to be called to sum up the second reading debate and thereafter the following occurring without delay:

(a) the immediate question before the House to be put, then any question or questions necessary to complete the second reading stage of the bill to be put; and

(b) the bill then to be taken as a whole during consideration in detail for a period not exceeding 50 minutes (at the end of this period any Government amendments that have been circulated for at least two hours shall be treated as if they have been moved together), immediately after which the question then before the House to be put, then the putting without amendment or debate of any question or questions necessary to complete the consideration of the bill; and

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

Ms GILLARD (Lalor) (9.01 am)—We will oppose this motion because the parliamentary process for the Workplace Relations Amendment (A Stronger Safety Net) Bill 2007 is an absolute shambles. The bill was introduced on Monday night into this parliament. The government gave notice late yesterday that it wants to add two amendments to its own bill. Why is the government incapable of writing a piece of legislation and getting it right? It is a farce, it is a shambles and it just reinforces what we have said about this bill all along—that the government was more interested in briefing its advertisers than it was in briefing parliamentary counsel. When you pull a transparent political stunt, it shows—and it is showing now with the shambles that has become this bill. Given the shambles that is this parliamentary process, and given the incompetence that is on display, the very least the government could do is allow a full opportunity for members who want to speak in this debate to speak. This guillotine will ensure that Labor members lose their right to speak.

I can understand why government members did not want to volunteer to speak on this bill. I can understand why government members do not want to stand up in this House and be associated with the name ‘Work Choices’. At the end of the day, the Prime Minister cannot even make himself say ‘Work Choices’ now, so hated is that terminology in the Australian community. So I understand that government members are too embarrassed to come into this place and speak on this bill. But Labor members are not. Labor members have put their names down to speak. Labor members have a very long list of speakers, and they ought to be able to speak on behalf of their constituencies.

The other thing that is a substantial problem with this guillotine is that it guillotines consideration in detail to 50 minutes. We have four in-detail amendments to this bill. The government has two, because it is incapable of writing a piece of legislation competently. We have four in-detail amendments to this bill. We want to put them and we want to
have them voted on separately because we want every government member in this place to have to think about whether or not they will vote to add protections to this bill. We want every government member in this place to have a vote recorded on four separate occasions as to whether or not they are prepared to vote for fairness in the workplace. I think that voting record will be important in their constituencies in the run-up to the election. I think people voting in that election are entitled to know whether or not government members on four separate occasions have repudiated basic fairnesses that ought to be in our industrial relations legislation.

Not only is this a shameless attempt to gag debate on the second reading, not only is it a shameless attempt to cover up the incompetence that has brought this incorrectly drafted bill to the House; it is a shameless attempt to prevent the opposition bringing a modicum of fairness to the workplaces of Australian families. More likely, it is a shameless attempt to stop government members being on the record voting yet again against fairness because they do not want their constituents to know, in the run-up to an election, what they really think.

We have never said we would impede the passage of this bill. This debate going over until tomorrow will not impede the passage of this bill because there is a Senate committee that does not meet until next Friday—that is not Friday this week; it is Friday next week—and that Senate committee does not report to the Senate until the following Thursday. So it is impossible for the Senate, with that reporting time frame, to consider this bill before the last sitting week of this parliamentary session. Consequently, as a matter of logic—a kindergarten kid would be able to work this out—we could technically debate this bill for the remainder of this week and for all of the next sitting week without impeding its passage through this parliament for one minute. So there is no need in terms of parliamentary processes to guillotine this debate; this bill would still be law at exactly the same moment if this debate were allowed to run; it would still finally clear this parliament at exactly the same moment if this debate were allowed to run.

Consequently, there is not one part of this proposition that is about genuine urgency or better parliamentary processes. This proposition is purely a political proposition to close down debate on an area of government policy that the government is now embarrassed by—its Work Choices laws, which have hurt so many Australian families—and prevent opposition members from putting amendments to this bill and seeing, in relation to those amendments, which way government members, who claim to be representing their constituencies, will vote. It is clearly a grossly unacceptable proposition. We know this is an arrogant government. Its arrogance, its contempt for the parliament and its growing contempt for the Australian people know no bounds, but this is another example.

Mr Billson interjecting—

Ms GILLARD—The Minister for Veterans’ Affairs, who is at the table, mentioned the word ‘hubris’ and I thank him for it. Yes, it is hubris from a government that thinks it is entitled to do whatever it likes in this parliament no matter how roughshod, no matter how in breach of parliamentary processes and no matter how contemptuous of the Australian people. I say to the minister at the table: there is one amendment we intend to move to this legislation that I think he should have a special consideration of. He might choose to read the Hansard later because there is one amendment he should especially consider that will be moved later today.
We oppose this guillotine motion; we will vote against it. I am not naive. I know every government member in this place will march in and they will vote in favour of this guillotine motion, but they will be judged on that vote, judged on the fact that politically they want to close down this debate for no proper purpose other than their cheap pre-election politics. It is becoming the watchword of this government—cheap pre-election politics—and it is on display again.

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (9.08 am)—The only thing that is a shambles at the moment is the opposition’s industrial relations policy. If there is one thing that has become clear over the last week it is what a complete shambles it is. The opposition cannot work out where it stands, of course, until it gets its orders from Greg Combet and the unions as to its policy on industrial relations. The Deputy Leader of the Opposition is supposedly in charge of the opposition’s industrial relations policy. This is a policy which is all over the shop. The events of the last week have shown just what a shambles the opposition is in terms of policy. Once again we see that the opposition is a policy-free zone. Of course, the Deputy Leader of the Opposition is well known for policy-free zones. We can go back to Medicare Gold and look at all the other disasters that she has been responsible for.

Dr Emerson—Mr Speaker, I rise on a point of order. This is a debate about a guillotine motion. If we want to have a debate, which we do, on industrial relations policy then do not apply the guillotine and we will have the full debate.

The SPEAKER—The minister will come back to the motion before the chair.

Mr ANDREWS—I will come back to the motion. It is important that this piece of legislation be passed. In her remarks the Deputy Leader of the Opposition ranged over a broad number of areas—including how, allegedly, the industrial relations legislation is hurting families—not directly to the point of the motion before the chair. It is important that this piece of legislation be passed because we have heard from the opposition that they now support the introduction of a fairness test. As they now actually support the introduction of a fairness test, we say: let’s get on with this; let’s bring it on; let’s have the vote that the Deputy Leader of the Opposition is talking about. But all of a sudden they say, ‘No, we should not have it today.’ On the one hand, there is this totally confused position from the opposition—it is just like their industrial relations policy, all over the shop and a total shambles—and, on the other, they say, ‘We support a fairness test; we think it ought to have been there.’ But then, when we come in here to debate the matter and pass it, they say, ‘We’re not prepared to get on with it today.’ Once again, it is a total shambles. It is a shambles not only in terms of policy but in terms of their own approach to this piece of legislation.

What the Deputy Leader of the Opposition said, she would say—one would expect that. Of course oppositions say those sorts of things. But the embarrassing fact this week is that the whole approach of the opposition, including their approach to the motion before the chair, reveals what a shambles the opposition’s policy is in relation to industrial relations, Work Choices, the Workplace Relations Act and those things that we put in place that have led to a major improvement in the number of jobs, rising real wages and the lowest levels of industrial disputation ever. That is why this legislation ought to be passed today. It ought to be passed today because what it reveals is an unintended consequence of the Work Choices legislation, which we are moving to fix. It is bizarre, to say the least, that the opposition, having said...
now that they are going to support this, do not want immediately to move to fix it. It just shows, once again, what a shambles the opposition are.

Question put:
That the motion (Mr Andrew’s) be agreed to.

The House divided. [9.17 am]
(The Speaker—Hon. David Hawker)

Ayes………… 78
Noes………… 57
Majority……… 21

AYES

NOES

* denotes teller

Question agreed to.

AUSTRALIAN CITIZENSHIP AMENDMENT (CITIZENSHIP TESTING) BILL 2007

First Reading

Bill and explanatory memorandum presented by Mr Andrews.

Bill read a first time.

Second Reading

Mr Andrews (Menzies—Minister for Immigration and Citizenship) (9.22 am)—I move:
That this bill be now read a second time.

I have the honour to present the Australian Citizenship Amendment (Citizenship Testing) Bill 2007. This bill amends the Australian Citizenship Act 2007 and provides for the introduction of an Australian citizenship test.

Citizenship has been a formal requirement in Australia since 1949. Before that, there was a provision, first adopted in the various colonies, whereby a person was naturalised.

The Australian Citizenship Act 2007 states in its preamble:
The Parliament recognises that Australian citizenship represents full and formal membership of the community of the Commonwealth of Australia, and Australian citizenship is a common bond, involving reciprocal rights and obligations, uniting all Australians, while respecting their diversity.

Migrants have come to Australia from more than 200 countries around the world. They include people from cultures and systems of government from the western, liberal democratic tradition like Australia—and people from other cultures and traditions.

Australia is a multicultural society. Our diversity is part of the rich tapestry of Australia today. While people are not expected to leave their own traditions behind, we do expect them to embrace our values and integrate into the Australian society. In becoming a citizen, they pledge their loyalty to Australia.

The core of being an Australian is at the heart of becoming a citizen of this country, no matter where people have come from.

Our great achievement in Australia has been to balance diversity and integration. Diversity is celebrated in Australia. But so too should we support the shared values that bind us together as one people.

For generations, Australia has successfully combined people into one community based on a common set of values.

These values include our respect for the freedom and the dignity of the individual, support for democracy, our commitment to the rule of law, the equality of men and women, respect for all races and cultures, the spirit of a ‘fair go’, mutual respect, compassion for those in need, and promoting the interests of the community as a whole.

It is important that Australian citizens understand the values that guide us and how our society works.

Australia is not simply an offshoot of the civilisation of Europe; it is a part of the West, those prosperous democratic countries that include the nations of Europe and the parts of the New World settled by Europeans: the United States, Canada, Australia and New Zealand.

From 1788 the British settlers of Australia brought with them the Anglo-Celtic principles and traditions of Christianity, the scientific revolution and the enlightenment. They built a society governed according to the new principles of liberalism and democracy, but in their own way. They were determined that in some respects Australia should not be like Europe—there should be no privilege, and opportunity should be open to all.

For over 150 years the majority of the new settlers came from Britain and Ireland, but there were significant numbers from China and other parts of the world. In the last 60 years people from every country, creed and race have settled here, initially from Europe, and then from Asia and elsewhere, and they have found a land of opportunity.

People living in Australia enjoy many rights, including equality before the law, and freedom of religion and expression. Australian citizens also have the right to vote and stand for parliament and local councils. We
also have responsibilities. We must obey Australia’s laws, accept the common values and respect the rights and freedoms of others. We are also encouraged to become involved in the community, to help make Australia an even better place.

The material which will form the basis of the citizenship test will highlight the common values we share, as well as something of our history and our background. It is currently being drafted and will be released once completed.

The booklet will give migrants to Australia the information they need to better understand what it means to be an Australian, what Australia will do for them, and what they are expected to do in return, for this country. It will give a brief summary of our history, our heritage, our symbols, our institutions and our laws, as well as what migrants need to do to apply for citizenship.

The Australian Citizenship Act 2007 requires that applicants for citizenship understand the nature of their application, possess a basic knowledge of the English language, and have an adequate knowledge of the responsibilities and privileges of Australian citizenship. This bill provides that these applicants must have successfully completed a test, before making an application for citizenship, to demonstrate that they meet these requirements.

These requirements are the same as the current criteria with the addition of the requirement that applicants have an adequate knowledge of Australia. It is important to emphasise that the test is for citizenship, not settlement. Migrants who come to Australia in the future, whether under the skilled, the family reunion or humanitarian programs, will not be required to pass the test prior to or upon their arrival in this country. They will only need to pass it when wishing to take up citizenship of Australia, which will usually be some four or more years later.

The government recognises that it would be unnecessary and unfair for some people to comply with these requirements. Consequently, people under the age of 18 or over the age of 60, and those with a permanent physical or mental incapacity which prevents them from understanding the nature of the application, will not be required to sit the test.

The test will encourage prospective citizens to obtain the knowledge they need to support successful integration into Australian society. The citizenship test will provide them with the opportunity to demonstrate in an objective way that they have the required knowledge of Australia, including the responsibilities and privileges of citizenship, and a basic knowledge and comprehension of English.

One of the main reasons people come to Australia is that they see this as a land of opportunity.

Part of our responsibility to them is to ensure that they have the knowledge to make the most of what our country offers and to help them develop a sense of belonging. Citizenship is at the heart of our national identity, giving us a strong sense of who we are and our place in the world.

Becoming a citizen is a profound step requiring the individual to pledge their loyalty to Australia and its people. It involves a commitment to a shared future and core values. It means understanding the privileges that come with citizenship, but also being able to fulfil the responsibilities. We need to make sure that people are not only familiar with Australia and our values, but also able to understand and appreciate the commitment they are required to make.

The community also needs to be assured that migrants are able to integrate into Aus-
Australian society. Maintaining broad community support for our migration and humanitarian program is critical. The ability to pass a formal citizenship test sends a clear signal to the broader community that new citizens know enough about our way of life and commit to it.

This is evident by the support from the community for the introduction of a citizenship test. More than 1,600 responses were received to a discussion paper released on 17 September 2006 seeking community views on the merits of introducing a formal citizenship test. Sixty per cent of respondents supported the introduction of the citizenship test.

It is worth noting that many of the world’s major migrant receiving countries have had formal citizenship tests in place for some time. They include Canada, the United Kingdom and the United States of America.

A test must be approved by written determination. The bill provides that the ministerial power to make a written determination cannot be delegated.

Matters to be included in the determination will include eligibility criteria to sit a test. Only permanent residents who are able to be satisfactorily identified and provide a photograph of themselves, or allow an officer to take a photo, will be able to sit a citizenship test.

The test is expected to be computer based and consist of 20 multiple-choice questions drawn randomly from a large pool of confidential questions. Each test is expected to include three questions on the responsibilities and privileges of Australian citizenship. The pass mark is expected to be 60 per cent including answering the three mandatory questions correctly. A person will be able to take the test as many times as required in order to pass.

The test questions will assess knowledge of Australian history, culture and values based on information contained in a citizenship test resource book. It will cover the sorts of things that people learn in their primary and secondary years at school.

There will not be a separate English language test. A person’s English language skills will be assessed on their ability to successfully complete the test in English.

It is expected that most people will have the literacy skills necessary to complete the citizenship test unassisted. However, the government recognises that there will be some people who do not and may never have the literacy skills required. In these special cases, it is proposed that the test administrator read out the test questions and possible answers to the person. The bill also provides the flexibility to approve more than one test should different arrangements need to be made in the future for certain prospective citizens.

Australia can be proud of its history and have confidence in its future as one of the world’s most stable democracies, where men and women are treated equally and the rule of law is paramount. A citizenship test will ensure a level of commitment to these values and way of life from all Australians, regardless of where they may originally come from.

By having the knowledge and more importantly an appreciation of the events that have shaped this country and the institutions that have been established as a result will help foster a nation of people with a common purpose.

Many Australians would agree that citizenship is a privilege, not a right. This, more than anything, is why the introduction of a citizenship test is not only supported by many Australians, but also acknowledged as being a key part of maintaining our national identity.
It is our sense of reciprocal obligations and a vision of a common destiny that has been foundational to Australia’s success.

The words of Henry Parkes, the father of Federation, first said at Tenterfield in 1889, remain true today: we are ‘one people, with one destiny’.

I commend the bill to the House.

Debate (on motion by Mr Burke) adjourned.

MIGRATION (SPONSORSHIP FEES) BILL 2007
First Reading

Bill and explanatory memorandum presented by Mr Andrews.

Bill read a first time.

Second Reading

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (9.35 am) I move:

That this bill be now read a second time.

The Migration (Sponsorship Fees) Bill 2007 will validate the past collection of certain sponsorship fees between 1 May 1997 and 23 May 2007.

It is a criterion for the grant of certain temporary visas that the applicant be sponsored. For example, sponsorship is a requirement for visiting sports people, entertainers, religious workers and academics.

Persons and organisations who wish to sponsor such a person approach my department for approval as a sponsor. If they are successful, the visa applicant then lodges their visa application. Doing things in this order ensures that visa applicants do not have to pay a visa application charge if their sponsor is not approved, as their visa application would have no chance of success.

Regulation 5.38 of the migration regulations prescribes a fee for sponsorship for these visas, currently set at $260. Sponsors pay this fee when seeking approval from my department.

Regulation 5.38 specifies certain conditions for when the fee is payable. One of these was that the fee was payable only where the visa application was lodged by the sponsor. Another part of regulation 5.38 implied that the sponsorship fee was payable only after the visa application was lodged. These conditions did not reflect the sensible practice which had arisen over the years of visa applicants making their own applications after the sponsorship has been approved.

This divergence between the strict words of regulation 5.38 and the normal practice for applying for these visas has meant that the sponsorship fee has been collected in cases where it was not strictly payable.

In addition to this, sponsorship fees were not technically payable under regulation 5.38 for another reason.

Regulation 5.38 provided that if no visa application fee was payable, then no sponsorship fee was payable either. This reflected the fact that certain visa applications can be made at no charge, and it would be inappropriate in those cases to levy a fee for sponsorship.

The concept of a visa application charge was introduced into the Migration Act and regulations in May 1997 to replace visa application fees. A technical amendment should have been made to regulation 5.38 at the time, to provide that where no visa application charge or fee is payable, no sponsorship fee is payable.

Due to an oversight however, this amendment was not made. Regulation 5.38 continued to provide that where a visa application is not subject to a fee, no sponsorship fee is payable. As visa applications have not been subject to fees since 1997 strictly speaking the sponsorship fee was not pay-
able, even though a visa application charge was required.

Regulation 5.38 was amended on 13 April this year to make the technical amendment regarding visa application charges which should have been made in 1997. These amendments, and further amendments made on 23 May this year, also ensure that regulation 5.38 reflects the processing arrangements whereby visa applicants lodge their applications after their sponsor has been approved. These amendments to the regulations provide that, from 24 May this year, the sponsorship fee can be lawfully collected.

The purpose of this bill therefore is to validate the past collection of the sponsorship fee. It does so by providing that where a fee was purportedly paid under regulation 5.38, the fee is taken to have been payable when it was paid. This will validate payments of the fee which were made before the visa application was lodged by the visa applicant and where the visa application was subject to a visa application charge but not to a fee.

The bill will validate only those fees paid in connection with visa applications made between 1 May 1997 and 23 May 2007. The reason for the 1 May 1997 date is that this is the date upon which the visa-application-charge concept began, and it was clearly an oversight that the technical amendment to regulation 5.38 was not made on that date to reflect the new concept.

The bill will validate fees paid up until 23 May 2007, when further regulation amendments were made, ensuring that regulation 5.38 works the way in which it was intended.

I commend the bill to the House.

Debate (on motion by Mr Burke) adjourned.

CUSTOMS TARIFF AMENDMENT BILL (No. 1) 2007

First Reading

Bill and explanatory memorandum presented by Mr Billson.

Bill read a first time.

Second Reading

Mr BILLSON (Dunkley—Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence) (9.40 am)—I move:

That this bill be now read a second time.

The Customs Tariff Amendment Bill (No. 1) 2007 contains two amendments to the Customs Tariff Act 1995.

The Customs Tariff Amendment (2007 Harmonized System Changes) Act 2006 implemented approximately 1,200 amendments to the customs tariff. These amendments incorporated changes that resulted from the third review, by the World Customs Organisation, of the Harmonised Commodity Description and Coding System that forms the basis of Australia’s customs tariff.

As part of this review the chemical binapacryl was classified under its own subheading. The separate identification of this chemical is required under the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, to which Australia is a signatory.

Schedule 1 of the bill will repeal the current subheading of binapacryl and create a new subheading for this chemical. This amendment comes as a result of further information received from the World Customs Organisation acknowledging that binapacryl was originally classified incorrectly in the review of the harmonised system.

This measure will take effect on the day the act receives royal assent.
Also, as part of the 2007 review, the text of the new subheading created for microbiological culture media referred to ‘prepared culture media for the development or maintenance of viruses and the like’ and applied a duty rate of five per cent to these goods. However, existing arrangements in the Australian Customs Tariff provided for a rate of customs duty of free for these culture media.

Schedule 2 of the bill will amend the text of this subheading to remove the reference to culture media for viruses. This amendment will ensure that the rate of customs duty of free will continue to apply to prepared culture media for the development or maintenance of viruses.

This measure was implemented via Customs Tariff Notice in December 2006 and then included in Customs Tariff Proposal No. 1 of 2007, which was tabled in the House of Representatives on 15 February 2007. The measure contained in this bill will take effect from 1 January 2007.

I commend the bill to the House.

Debate (on motion by Dr Emerson) adjourned.

WORKPLACE RELATIONS AMENDMENT (A STRONGER SAFETY NET) BILL 2007
Second Reading

Debate resumed from 28 May, on motion by Mr Hockey:

That this bill be now read a second time.

Ms GILLARD (Lalor) (9.43 am)—In the immortal words of Yogi Berra, it is like deja vu all over again. Here we are, again, debating another piece of industrial relations legislation that the government is rushing through this place, drafted at the last minute and debated at short notice. Here we are, again, seeing the government adding to the mound of legislation representing its supposedly simpler industrial relations system, adding to the complexity, confusion and chaos created by this government for Australian employers and employees. Here we are, again, with another example of this government arrogantly thinking it can mislead Australian working families by suggesting it has a quick fix to the overwhelming unfairness in its Work Choices laws. Here we are, again, with another round of multimillion dollar taxpayer funded political advertising and, of course, you guessed it: it is all happening in the run-up to an election.

The only thing of course that we do not ever see from this government—and we will never see—is a real belief in fairness at work. This is a government operating with a simple, arrogant approach to governing this country: pollsters first, advertising second, policy third. That has been the genesis of this bill, the Workplace Relations Amendment (A Stronger Safety Net) Bill 2007. That is what this bill is all about, and that is undeniable on the facts as we know them—pollsters first, advertising second, policy third. The bill is not about the government listening to the Australian people; it is about the government listening to its pollsters. The bill is not about tough decisions, conviction and the national interest; it is about politics first, second and third. The bill is not about the government providing fair compensation to employees; it is about the government hiding the unfairness of its legislation until after the next election.

The government claims that this bill is about fairness. I want to clearly explain the government’s political strategy on this bill and the opposition’s policy response. In this term of office, since the 2004 election, the Prime Minister has changed. The Prime Minister secured control of the Senate. The arrogance that came with that power caused him to betray the Aussie battlers he had always claimed to represent. The Prime Minister faced a choice after he got control of the
Senate: a choice between meeting the need for fairness for Aussie battlers in the workplace or making the law of Australia conform to his extreme views on industrial relations. He chose the latter. He deserted the battlers; he embraced the extreme. Having seen the Prime Minister desert hardworking Australians, Aussie battlers have repaid the insult. They have deserted the Prime Minister. The government’s opinion polling—ironically, all paid for by the taxes of hardworking Australians—would have screamed that battlers did not want the Prime Minister’s extreme Work Choices laws.

Today we have seen government ministers at odds on what is the cover story for these extreme Work Choices laws. They cannot even get their lines right. In the debate about the guillotine of this legislation, the former Minister for Employment and Workplace Relations—now the Minister for Immigration and Citizenship—stood at the dispatch box and suggested that this bill was about correcting unintended consequences of the original Work Choices legislation. The government did intend these consequences and it is nonsense to suggest otherwise. Indeed, today the current Minister for Employment and Workplace Relations, in responding to data on the time that Australians now spend at work, said, ‘That is a furphy, because the only time you could ever trade away penalty rates without compensation has been in the last 13 months.’ That is too right. The only time in this country when workers have been able to trade away penalty rates without compensation was as a result of the government’s extreme Work Choices legislation. That was not an unintended consequence. That was at the core of what was intended.

Indeed, the government’s advertising at the time made it explicit that this was possible. There was an example of Billy, who got a minimum wage job, no penalty rates and nothing else, and the government stood inside and outside this place and justified that example. At the core of what they wanted to achieve were laws which enabled basic conditions such as penalty rates, overtime, shift loadings, meal breaks et cetera to be stripped away from workers. That has happened in the last 13 months. We now have that verified from the mouth of the Minister for Employment and Workplace Relations. His words were: ‘The only time you could ever trade away penalty rates without compensation has been in the last 13 months.’ That is what the government wanted and it is what the government still want. The only thing that has changed is that government pollsters have told them loud and clear that it is not what the Australian community wants, and that it is important for the government to pretend, in the period between now and the election, that they will not let that happen. It is important to put up that pretence, it is important to stop saying ‘Work Choices’ and it is important to put government advertising on TV.

But no Australian should make a mistake about this. This is what the government wanted, it is what they designed the laws for, it is what they still want and it is what will be back with full force—probably even more force—if the government is re-elected. The Prime Minister is responding to the politics of this, not with real substance, but with spin. We know that he no longer says the words ‘Work Choices’. Indeed, we have had humorous incidents in question time, where he stood at the dispatch box minute after minute, mumbling and bumbling in a desperate attempt not to say ‘Work Choices’, as the opposition chided him: ‘Say the name, say the name.’ He just will not say ‘Work Choices’.

The Prime Minister no longer says ‘Work Choices’ because he knows that is the hated name of his hated laws. He is using taxpayers’ funds to try to fix his political
problem through advertising and he brings this bill to the House. The Prime Minister is of course desperate for a political fix. To get a political fix, he needs to pretend to fix the extreme and unfair nature of his Work Choices laws. I say 'pretend' because he does not want to fix the substance. Work Choices is his creation, it is his political labour of love and he wants it to continue as it is. This bill is his way of pretending to fix Work Choices without really fixing it. It is a way of getting to say the word ‘fairness’ without bringing real fairness.

For a bill that is supposed to be about fairness, it is interesting that the government could only bring themselves to mention the word ‘fair’ five times in 76 pages of new law. We see the word ‘fair’ only five times in 76 pages of new law. We all know that the Prime Minister is a clever politician, but the fact that this is a quick political fix, not a real fix, is made abundantly clear by just stopping for a moment and asking yourself one question: does any Australian really believe this bill would have been brought into this parliament if it were not an election year? We should stop and contemplate that for a moment. Even government members could not manage, surely, to come into this House during this debate and claim the contrary. It would just be so absurd. It would render them open to so much ridicule if they came into this place and tried to pretend that the only reason that this bill is here is not that it is an election year. Every Australian would say yes to that proposition. The only reason this bill is in this parliament is that it is an election year. Australians will judge the Prime Minister’s motives. The task for Labor is to judge the bill.

Any analysis of the bill shows that the so-called fairness test within it is fake. It will not bring Australians the fairness that they have lost because of the extreme nature of Work Choices; the only way to do that is the Labor way. It is getting rid of Work Choices, it is repealing the Work Choices laws and it is ending Australian workplace agreements. That is the only way of fixing the unfairness at the heart of Work Choices. The Labor way is getting rid of the Work Choices laws in their entirety—lock, stock and barrel—and making sure that they are replaced with laws that have fairness at the heart of them for Australian families. The approach Labor have taken to this bill is that it does no harm and that if this bill might make a difference to one worker then we should support it. Theoretically if a low-paid worker is offered an Australian workplace agreement this afternoon and that Australian workplace agreement takes away all 11 of their protected award conditions—like overtime and penalty rates—for no monetary or non-monetary compensation at all then this bill might, and I deliberately say ‘might’, stop that AWA. The reason I say ‘might’ is that the process of judging that Australian workplace agreement is secret and non-reviewable.

We have seen some extreme cases. There was the case of the Darrell Lea Australian workplace agreement, which stripped conditions like penalty rates for not one cent increase per hour for the hours worked by those employees. In those circumstances, where not one cent is offered for the loss of conditions, it is possible that this bill might stop that AWA. Because there is that chance in that one case that the bill might make a difference, on that basis Labor is prepared to support it. Then of course we can get back to the real debate. The real debate is about getting rid of Work Choices entirely, because you cannot bring fairness back into Australian workplaces without getting rid of Work Choices—all of it—and the Australian workplace agreements that come with it.

Let us think about all the other cases of Australian workplace agreements and what
this bill would do, or in truth fail to do, for all those other circumstances. In all of those broad cases, apart from that narrow case I have put, this bill has to be judged a failure. Firstly, the hundreds of thousands of workers who have already signed unfair Australian workplace agreements and have received no compensation for losing conditions get nothing from this bill at all. The Prime Minister has acknowledged that. The bill will not produce any fair outcome for Australian workers who lose other important award conditions like rostering protections, redundancy or long service leave entitlements. Under the government’s test, these employees are not entitled to these award conditions or any compensation in lieu of them at all. In fact, if they are offered these basic entitlements, which used to form part of the safety net for workers in this country, this can be considered fair compensation for the loss of other award conditions like penalty rates and overtime.

Let us think about that for a moment. You might be a worker who has historically enjoyed access to redundancy pay. You are worried that if you are made redundant then there would be a transition time. You still have to pay the mortgage and the bills and feed the kids. You would have an entitlement to redundancy pay—probably not very much but an entitlement to redundancy pay—under the industrial norms of this country. Under this bill, giving you that basic entitlement could be weighed as fair compensation for losing your penalty rates. That sort of balance is perfectly possible under this legislation.

Let us think about the importance of those award entitlements that can still be stripped away without compensation. I asked the Prime Minister the other day to think of a mother working in a retail shop in Melbourne under the Victorian shops award. Under the award this working mother would receive, in normal circumstances, at least 14 days notice of a change in her roster. This protection means that this mother has the time, and the certainty, to arrange child care where her shifts change. If there is an emergency, the notice period is 48 hours. That is still presumably—though with great difficulty—enough time to arrange something for the care of the kids. However, if this hard-working mother was today offered an AWA, under this bill that standard award protection could be ripped away from her without any compensation.

This bill does nothing to protect that woman. She could be stripped of her right to 14 days notice of a change of roster, or 48 hours notice in an emergency, and literally be told that her rosters can change with five minutes notice. It does not matter about the childcare arrangements; she could lose her entitlement to that notice and receive nothing for it at all—she will just have it stripped away. If she were to be provided with this notice period, it might be considered fair compensation for the loss of other protected award conditions, particularly as under this bill there is a special weighing of the employee’s personal circumstances. The bill might not be fair to employees generally, but there are other unfairnesses that I want to speak about besides the stripping away of award conditions like notice of roster changes and redundancy.

This bill contains a section that ought to make people worry very grievously about
what the bill might mean. It contains a section which enables the personal circumstances of an employee to be weighed in the determination of whether or not the industrial conditions offered to them are fair. This is the first time in this nation’s history that your personal circumstances determine your worth. Does this mean that it will be fair for an employee with children who prefers to work Saturday because their partner is home to not be paid penalty rates but to work side by side with workers who are? And who assesses the impact of these personal circumstances? From the legislation it is solely the Workplace Authority that receives these details, and it receives them from the employer. Do Australians really want details of their personal circumstances—their family arrangements, their childcare arrangements, whether they are married, whether their partner is working, whether they are a single mum; all of these personal issues like whether Gran routinely provides care for the kids, whether she cannot, whether she is sick and whether that means she cannot provide care any longer—to be forwarded by their employer to a bureaucracy in Canberra and weighed by bureaucrats who do not even have to talk to the employee about the basics of their lives?

As we consider more and more examples like this and more and more of the factors that go into this test, the more the process becomes engulfed in darkness and secrecy. This bill sets up a secretive, unwieldy and unreviewable process for this new Workplace Authority to unilaterally determine whether or not an agreement is fair. The authority are not required to give reasons about how they assessed the monetary value of something provided to an employee. They do not have to give reasons about how they assessed the non-monetary value of something provided to an employee. They do not have to give reasons for what they think about an employee’s work situation or personal circumstances, or how these considerations are relevant. The Workplace Authority are not even required to give reasons about how they reached their decision—about why they think an agreement should be judged fair or unfair. There is no requirement that an employee or employer be given the opportunity to give their view, or to give an opposing view, about the value of entitlements or the overall fairness of their workplace agreement.

The process allows an employer to give a unilateral undertaking to make an agreement fair, without giving the employee a chance to agree or not to agree to the terms. There is no time limit for the Workplace Authority to tell employers and employees whether the test is going to be applied, what the designated award might be and whether their agreement even passes the test. That could all just float along. There is no right of appeal for any of these things unless Australian employers and employees want to go to the High Court. How laughable is that? An employee has their employer submit their circumstances, it goes into a bureaucracy in Canberra and it emerges at some undefined time later at the other end of the bureaucracy and, if you want to dispute the decision, the only way you can do it is to go to the High Court. Films like The Castle aside, how many Australians are going to be able to take their case to the High Court? Of course no-one is. No-one is going to spend hundreds of thousands of dollars and years reviewing a decision about penalty rates. Of course they will not.
In effect you have no rights of review when this secret agency weighs your employment agreement and in the process weighs things about you, your personal life and your personal circumstances. This bill creates a system where employers and employees can be left in a dark wilderness for weeks or months without knowing whether their agreements, which will already be in operation, are lawful. And the bureaucracy that comes with this arrangement is unbelievable. According to the explanatory memorandum, the government has been forced to spend an additional $370.3 million for the implementation of the so-called fairness test.

We did not have the budget that long ago. Of course, this expenditure was not in the budget—$370.3 million of new money. The additional funding is split across the Workplace Authority, formerly known as the Office of the Employment Advocate; the Workplace Ombudsman, formerly known as the Office of Workplace Services; and the Department of Employment and Workplace Relations. The only thing that has not changed its name is the department. We now have the legislation formerly known as Work Choices; the Office of the Employment Advocate having changed its name to the Workplace Authority; and the Workplace Ombudsman, which was formerly known as the Office of Workplace Services. The Workplace Authority gets an additional $303.5 million and the other agency gets $64.1 million, whilst the department gets an additional $2.7 million.

We learned during the estimates hearings of Monday, 28 May 2007, from the current head of the former Office of the Employment Advocate, Mr Peter McIlwain, that hundreds of contractors would be needed to implement the fairness test. New staff would be required to complete training for a month as part of their appointment to assessing agreements against this so-called new test. There is little wonder that this is the case. Mr McIlwain also advised that there are in excess of 21,345 agreements which have been lodged since the date of commencement of these new arrangements and which now have to be looked at.

This funding of $370 million, coupled with the hiring of hundreds of new staff, represents a massive increase in government and in particular a massive increase in the bureaucracy administering our industrial relations system. It increases the size of the Office of the Employment Advocate, now the Workplace Authority, and the former Office of Workplace Services. It increases expenditure across the forward estimates. Mr Deputy Speaker, you will find these figures staggering but, as a total across the forward estimates, the additional funding brings spending on industrial relations to $1.836 billion—$1.8 billion from $1.4 billion; an enormous amount of spending.

Indeed, while this government has talked the talk of small government, it continues to set new standards of big government with its actions and spending. These additional resources are two-thirds the size of the financial implications of the original Work Choices bill. The advertising bill for six days is 10 per cent of the total amount originally budgeted for Work Choices. And the number of new staff will almost double the number of existing staff in the two offices, that of the Employment Advocate and the former Office of Workplace Services, from approximately 536 people to 1,102 people.

Prior to this layer of additional bureaucracy, the firm Harmers Workplace Lawyers released an analysis which estimated the compliance costs associated with the record-keeping requirements of Work Choices. They estimated that the cost to small and medium enterprises was more than $950 million in employee time alone. The compliance costs
suggested by Harmers relate only to record-keeping and do not include a range of other costs, such as seeking expert advice from lawyers or workplace consultants, time taken to create AWAs, increased reliance on the court system rather than tribunals for dispute resolution, and the like. This is a new bureaucracy on the shoulders of Australian business.

This bill now deals with two other matters which have been the subject of late amendments which I referred to in the debate about the guillotine earlier today. One deals with enterprise bargaining fees, one deals with a compliance—

Mr McArthur interjecting—

Ms GILLARD—I thank the member for Corangamite for his assistance but I do not need it. One deals with enterprise bargaining and one deals with a technical registration problem for federal unions, which has particularly impacted upon those who represent our police. The Labor Party will support both of those amendments and we certainly will vote for the bill overall with those two amendments in there, but I do restate the shambles that this legislative process has been, that those amendments were not in the original bill presented to the House on Monday.

I will conclude by saying: Work Choices has to go. Even as amended by this bill, it is still a gross unfairness for Australian families. The passage of this bill does no harm and, given that the passage of this bill might assist even one worker, Labor will not stand in the way of that worker getting that assistance. We actually care about employees in this country. We care about them every day, not just in the days leading up to an election. That is the difference between this side of politics and the other side. Labor believes in fairness at work each and every day; we believe in that fairness being protected—

Mr Lloyd—So do we.

Ms GILLARD—and that will be at the centre of the system of industrial relations that Labor seeks to bring to this country.

I will now move a second reading amendment standing in my name. And may I conclude by saying—

Mr Lloyd interjecting—

Ms GILLARD—and I think the minister at the table, Mr Lloyd, will be interested in this—that later today I will move four in-detail amendments, all about fairness, and if he cares about fairness he can vote for them. With those words I move:

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

whilst not declining to give the bill a second reading, the House condemns the Government’s lack of honesty about:

(1) its plans for extreme industrial relations laws before the last election;

(2) the impact of its inherently unfair Work Choices laws including the way these laws have:

(a) caused the pay and conditions of individuals on Australian Workplace Agreements to be cut;

(b) allowed good workers to be dismissed for no reason at all;

(c) placed an unprecedented paperwork burden on small businesses; and

(d) destroyed the independent industrial umpire;

(3) the cost of the taxpayer polling research which apparently led the Government to dropping the term ‘Work Choices’ and bringing this Bill to the House;

(4) the magnitude of the taxpayer funded advertising campaign to promote the Government’s political spin on industrial relations;

(5) the fact that this Bill leaves Australians still overwhelmingly exposed to the harshness of Work Choices; and
its intention to legislate even harsher laws if re-elected”.

The DEPUTY SPEAKER (Hon. BC Scott)—Is the amendment seconded?

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

Mr McARTHUR (Corangamite) (10.14 am)—I have been listening closely to the member for Lalor and some of the comments she has been making. I observed two things, one of which is that she is going to remove the industrial relations legislation put forward by the Howard government lock, stock and barrel. She is putting forward in the parliament that that would be the intention of the Labor Party if, by chance, they came to the government benches. My second observation is that the member for Lalor does not have a clear proposition to put before the Australian people as to what she would put in place of the current industrial relations legislation. So that is quite clear from her remarks, and her amendment before the House also reflects the opposition’s woolly and unsubstantiated view of industrial relations legislation.

I am delighted to speak on the Workplace Relations Amendment (A Stronger Safety Net) Bill 2007, which will ensure that the government’s objectives of improved wages and flexible employment conditions under our workplace relations reforms are achieved. This bill is front and centre in the public debate about whether the national government is going to help move Australia into the future or whether we are going to hold back our country, our people and businesses with policies of the past, just as the member for Lalor has enunciated in the last 30 minutes. The amendments put forward in this bill are intended to help ensure that Australia’s workplaces are a constructive part of the modern, dynamic, flexible economy and that the Australian people, who work hard to help build this nation through their enterprise, skills and efforts, are appropriately rewarded.

Before I make specific reference to the bill, it is important to emphasise the clear philosophical objectives of the bill and the core vision that underpins the government’s efforts to improve the working conditions of Australian families. The first objective is that a worker and an employer should be able to sit down and agree on terms and conditions of employment that are to the mutual benefit of both parties. I emphasise that. (Quorum formed) Individual workers and employers are in the best position to decide what employment conditions, wages, hours of work, flexibility and bonuses will deliver a suitable reward for effort, provide encouragement and get the job done. Some people suggest that politicians in Melbourne, Sydney or Canberra should set wages and conditions, but there is no way the parliament or the bureaucracy can dictate the best set of wages and conditions for all of Australia’s 10 million workers.

Some people think the industrial relations commissioner should set wages and conditions by reaching some compromise between the ambit claims of unions and businesses that are fought out in the adversarial environment of the Australian Industrial Relations Commission. That process has been a proven failure in addressing the needs of individual workplaces and individual workers.

There can be no-one better placed to know the interests and needs of individual workers than the workers themselves, and there can be no-one in a better position to understand the needs of the business than the employer. This is why the government has taken action to make it easy for employees and employers to sit down and negotiate their own terms and conditions of employment that are mutu-
ally beneficial. The second objective is that the government wants to create an industrial relations system that encourages higher wages, better pay and more profitable businesses that can generate new jobs. Better wages and higher pay are the objectives in introducing flexibility to the industrial relations system. No-one wants wages to go down or families to be put under increased pressure.

The Labor Party and the unions, who have bankrolled the Kevin Rudd election campaign, have talked a lot about the unfairness of the flexible workplace system but they have struggled to come up with concrete, real-life examples of where Australian workers are worse off. Labor and the unions have tried to create a perception through advertising—a major advertising campaign, I might say, with huge amounts of dollars involved—that some working Australians in lower income jobs might be worse off under a flexible industrial relations system. They have failed to produce hard evidence both here in the parliament and in their public relations campaign.

The reality of Australian workplace agreements is that an employee will only sign one if it is in their interests and if it is more attractive than their current award conditions. That is my fundamental tenet. That is what I fundamentally believe, and I know the evidence on the record suggests that is the case. Why should any worker sign an AWA when legally they do not have to if the AWA is for less pay or less suitable conditions than the pre-existing award? The changes that are brought forward in this bill will address the uncertainty that has been generated by the ACTU advertisements and the Labor Party. These changes will introduce a legislated safety net provision to ensure that any AWA agreed from 7 May 2007 must provide for fair and reasonable compensation when protected award conditions are traded off. All this is for the benefit of the worker—and I again emphasise that.

When I rose in this place in November 2005 to speak on the Workplace Relations Amendments (Work Choices) Bill 2005, I did so with a belief that these reforms would improve the conditions of Australian workers and create extra job opportunities for unemployed Australians and also for people who had been out of the labour market and would like to do more work. When I look at the actual job outcomes over the last 13 months, I note we can see that the early experience of life under the more flexible IR system is more jobs and higher pay. Over the year since March 2006, more than 326,000 new jobs have been created. This means 326,000 Australians and their families are now earning more and are in a more stable financial position than was the case prior to these reforms.

I would not be so bold as to claim that the IR changes are the sole causal factor of these positive job outcomes, but I have no doubt that our reforms have been a very positive factor. Of particular interest is the fact that 85 per cent, or 277,200, of the new jobs generated in the past year since the implementation of flexible workplace relationships have been full-time jobs. That is a remarkable achievement in an economy that on some occasions has been moving towards casualisation. Prior to the government’s changes, unions were concerned about casualisation of the workforce. The experience of the past year would indicate that employers have responded to the new workplace relations and the abolition of Labor’s flawed unfair dismissal system by offering full-time jobs instead of casual options. That emphasises the point that changes to unfair dismissal encouraged full-time jobs rather than casual jobs that were not subject to unfair dismissal provisions.
On the wages front, Australian Bureau of Statistics wage-price index data shows that on average wages have increased 4.1 per cent since March 2006. I emphasise that point: since the introduction of the government’s workplace relations system wages have increased, especially when compared to the rhetoric of those opposite. Real wages have grown by 19.8 per cent since 1996, the result of the greater flexibilities that the government has introduced into the industrial relations system progressively since that election in 1996. By comparison, the value of real wages under the previous Hawke and Keating governments decreased by 1.8 per cent. That is the system that the Leader of the Opposition and the member for Lalor want to take Australians back to, the award system that has been advocated by the member for Lalor, whose intent is emphasised by the amendments tabled in the House this morning.

Workers have taken the opportunity to have flexibility, they have taken the opportunity to negotiate their own wages and conditions, and they have negotiated higher and better wages and conditions. Information provided by the minister shows that employees on AWAs are earning on average nine per cent more than employees on collective agreements and 94 per cent more than employees on award rates.

So we have the situation that AWAs provide a greater productivity than the former award structure. We see this in the factories, in the workplaces and in those plants that I visited. We know that mining industries in the Pilbara region of Western Australia have now become highly profitable apart from the commodity prices that are being received. They are highly productive. The culture that pervaded those industries for 20 years before the introduction of the AWAs has been overcome. The situation in Western Australia is that those employees have cashed out their award conditions and have found themselves remarkably well ahead and enjoying the prosperity of the commodity price boom. No centralised wage-fixing system could have provided that productivity and profitability.

We find that the profitability of the better industries is not being spread across Australia, as was the case with the centralised wage-fixing system and as we found in 1981 under the Fraser government when the centralised wage-fixing system brought about an explosion of wages. Because one sector was doing well it was considered by the centralised wage-fixing system that everyone else in Australia should enjoy that so-called prosperity. It proved a false dawn. In fact, that was a key factor in both unemployment and increases in inflation. The strike rates since figures have been held, since 1913, indicate virtually no strikes in the Australian economy under the current arrangement. That is a far cry from the 1950s and 1960s under the centralised wage-fixing system.

This bill provides some surety as to fair pay and conditions for those workers receiving under $75,000 per annum. This ensures that those workers who might be at the lower end of the spectrum will be protected by the law of this parliament. (Quorum formed)

The existing workplace laws provide protected conditions under the Australian fair pay and conditions standard: minimum wages set by the Fair Pay Commission; a maximum of a 38-hour ordinary working week; four weeks annual leave; personal and carers leave, including sick leave; and parental leave, including maternity leave. The expanded safety net provided by the fairness test will make sure that there is a fair and reasonable compensation payment built into individual AWAs in recompense where the following items are traded and cashed out: shift and overtime loadings, annual leave loadings, public holidays, monetary allow-
ances, incentive based payments and bonuses, penalty rates and rest breaks. This safety net will ensure fairness for workers who are in a vulnerable position—fairness for workers who are signing up for jobs in low-income roles where there might be little bargaining power. Some people have expressed concerns about the fairness of young workers, 16-, 17- and 18-year-old first-time workers, negotiating pay and conditions with a potential boss. The fairness test and safety net will ensure fairness for our young Australians.

The fundamental test of AWAs has been that workers get paid more; otherwise they choose to remain on award conditions. The safety net will ensure that people are better off if they choose to sign an AWA. This legislation demonstrates the strong commitment by the government that a more flexible industrial relations system should work to the positive benefit of workers. Industrial relations is not a winner-take-all environment, as the class war relics of the labour movement would have us believe. Instead, employees, employers and the whole country should benefit from cooperative industrial relations where higher pay and improved profitability are the natural outcomes for workers and employees working hand in hand on shared goals for mutual benefit. The Labor Party and unions should always remember that even under a class warfare model of industrial relations there is no job in a bankrupt business. Those opposite do not fully understand that.

The legislation will establish a Workplace Authority—replacing the Office of the Employment Advocate—which will assess AWAs for compliance and fairness. Where a new AWA that has been entered into from 7 May 2007 does not meet the fairness test, the Workplace Authority will work with employers to ensure that the agreement is upgraded to meet the fairness test requirements. In such a situation, employers will receive back pay. An employee cannot be sacked because an AWA has been found not to comply with the laws and fairness test. The assessment of AWAs under the fairness test will not involve legalistic hearings. This will not create an onerous red tape burden on businesses. There must be identifiable parties. An unfair test cannot be run on mythical arrangements.

The new industrial relations system under the Howard government will replace the 4,000 awards. This is what the member for Lalor would return to. I note the very good work of the Alcoa plant in my electorate and, in the coastal resorts, the flexibility that has resulted for the smaller restaurants and motels from the workplace changes. I strongly commend this legislation, even given the interruptions I have had from those opposite, who are rather unhappy that we are introducing sensible, carefully thought through legislation. (Time expired)

Mr SWAN (Lilley) (10.34 am)—If Australia is to move forward and prosper as a nation, we need a modern industrial relations system that balances the flexibility required by business with the security needed by employees and their families. This government’s extreme industrial relations system has tipped the balance too far against working families by removing things like overtime and penalty rates, leave loadings, rostering protections, and redundancy pay for many. The amendments contained in the Workplace Relations Amendment (A Stronger Safety Net) Bill 2007 will not—I repeat, will not—restore the balance. They will not restore sufficient basic conditions that Australian families rely on. They will not restore the faith of the Australian people, lost by a government who did not even see fit to consult them on their industrial relations laws at the last election. Work Choices is at the heart of why people no longer trust
John Howard and Peter Costello. Prior to the last election, Work Choices was never mentioned. The government—

Mr Hardgrave—Mr Deputy Speaker, I take a point of order. It is absolutely important that the standing orders relating to the proper identification of members in this place are upheld. The member for Lilley has not done that.

The DEPUTY SPEAKER (Mr Wilkie)—Order! The member for Moreton will resume his seat. The member for Lilley has the call and is reminded to refer to honourable members by their title or seat.

Mr Swan—Mr Deputy Speaker, they don't like it because they know that Work Choices is at the heart of why people no longer trust the Prime Minister, John Howard, and the Treasurer, Peter Costello. Prior to the 2004 election, Work Choices was never mentioned. The government did not seek a mandate for Work Choices or anything that resembled it. The member for Moreton did not take this to the people in Moreton at the last election. When, thanks to Queensland, John Howard won an unexpected Senate majority, he went on national television, put his hand on his heart and declared before the people that he would not abuse or misuse the mandate that he had been unexpectedly given. But he has been abusing that mandate ever since then. Nowhere is that more evident than it is in Work Choices—and the Australian people know it.

The Australian people have good reason not to trust a pre-election Prime Minister and a pre-election Treasurer. They have more form than a Melbourne Cup race book. The Australian people also know that if the Prime Minister is re-elected we will not only see a return to Work Choices as we have known it; the Prime Minister will go further. If the Prime Minister is re-elected we will see harsher industrial relations laws in this country. Why do we know that? Because his key supporters have said precisely that. He believes in these laws. His key supporters believe in them and that is why they will make them harsher if they are re-elected. Senator Minchin told the HR Nicholls Society, when he did not know that a journalist was in the room, that Work Choices was only the first instalment in the government’s IR plans. The Treasurer has not ruled out harsher laws either. We have the finance minister and the Treasurer all on the record leaving open the possibility of making these laws harsher after the next election.

What is now clear from the bill that is before the House today is that the government now know they have gone too far with their extreme laws, which rip away penalty rates and other conditions. They know they are out of step with the Australian community, so what they are trying to do is to beat a temporary retreat, to pretend that somehow they have wound back these laws. They are not fooling anyone with this attempt at an extreme makeover and a political retreat. Why is it that they have instructed the Workplace Infoline to drop the name ‘Work Choices’ from its language? Why is it that they are spending millions of dollars of taxpayers’ money on political advertising just a few months out from the election? It is to save their political hide, but I think the Australian people have seen through this mob.

This bill is about clever politics. It is not about good policy; it is about creating a perception. It is not about restoring sound process. It will take a lot more than a multimillion-dollar taxpayer funded advertising campaign to restore balance to Australia’s industrial relations system. The bill says there is a new test which is somehow supposed to strengthen the security of Australian families and working Australians. But there are holes so big in this test that you could drive a truck through them. They have not put a safety net
in place or, if they have, it has gigantic holes in it. It is a small step forward, but the fundamental unfairness of this legislation remains. Its elements are ill defined and it does not protect basic conditions Australian families rely on. Of course it comes with a bureaucratic army: two new institutions—the Office of the Workplace Ombudsman and the Workplace Authority—and a compliance framework, we have learnt, which will involve recruiting 600 inspectors to make the system work.

If fairness has been restored, why is there a need for 600 inspectors? If they have gone all the way to restore these conditions, why do they need 600 inspectors? Is it not the case that the laws are still unfair? That is why 600 inspectors are required. Instead of policing bad laws, what about putting in place fair laws in the first place? I will tell you why. Because they are not committed to fair laws. They are committed to an extreme makeover just before the election. They will come back after the election and go down the same road again, and double it, because that is the record of the Howard government.

Compared with the system the government introduced last year, these changes may improve the situation for some people, and that is a good thing. I am not convinced it will, but I cannot see how it will make them worse. So for this reason we do not want to prolong the uncertainty caused by these changes. We will not seek to delay the passage of this bill through the parliament, but we have very serious concerns, as the Deputy Leader of the Opposition has already noted. We are concerned that these changes do nothing to protect important award conditions, such as redundancy, rostering protections, long service leave and so on. There is a lack of detail about the meaning of terms like ‘fair compensation’, ‘exceptional circumstances’ or ‘compensation of significant value’. There is disturbingly little scope for scrutiny of the decisions made by the Workplace Authority under these changes.

In short, there is nothing in these amendments that diminishes our resolve to repeal Work Choices and replace it with a system that delivers an appropriate balance between the flexibility needed by a business and the security needed by employees and their families. A sensible and modern industrial relations system takes a middle path that balances flexibility needed by business with security needed by employees and their families. A sensible and modern industrial relations system takes a middle path that balances flexibility needed by business with security needed by employees and their families and this bill does not achieve that. It certainly goes nowhere near that middle path—the middle path put forward by the Labor Party in this parliament.

If we are to build prosperity into the future beyond the mining boom, current policies need to be directed to lifting productivity and harnessing the talents and abilities of all of our people. The government can dress its industrial relations laws up in all the taxpayer-funded spin and propaganda it likes, but this will not alter the fact that the government’s Work Choices industrial relations laws will do nothing—I repeat: nothing—to boost productivity, which has gone backwards in relative terms, on this government’s watch. This government’s failure to invest in the drivers of productivity, despite the rivers of gold flowing from the mining boom, is one of the most significant policy failures in its 11 long years at the helm. The government has been led by a narrow ideological agenda and it has been increasingly forced to rely on desperate arguments to justify the benefits of Work Choices. The first desperate economic argument that it puts is that Work Choices has been responsible for our recent jobs growth. This is one of the great cons of the Howard era.

Despite the strongest world economy in more than three decades and a once-in-a-generation mining boom, the Prime Minister
would have us believe that Work Choices is responsible for 326,000 jobs created over the 13 months since March last year. This is a whopper. As porkies go, it is a whopper. This is just another economic myth of the Prime Minister designed to detract attention from the fact that the government has no plan to build prosperity beyond the mining boom.

Mr Hardgrave—Mr Deputy Speaker, I rise on a point of order. The other day the Speaker ruled that the terminology ‘porkies’ in connection with comments made by the Prime Minister was unparliamentary. I ask that the member for Lilley withdraw that comment.

The DEPUTY SPEAKER—The member for Moreton should know that I was not in the chamber at that time. I am not aware of that. I will discuss it with the Clerk. In the meantime the member for Lilley has the call.

Mr SWAN—This is just another economic myth of the Prime Minister designed to detract attention from the fact that the government has no plan to build prosperity beyond the mining boom. In a candid interview with the Financial Review on 18 December last year the Treasurer admitted that the government’s workplace laws ‘don’t create jobs; the economy does’, and he is right. The Australian economy is being swept along by the strongest global economic growth in more than 30 years and China’s appetite for our commodities and resources has helped take our terms of trade to their highest level in more than 50 years. So it is not surprising that it is in the mining states of Western Australia and Queensland and in the Northern Territory that employment is being driven. Those two states and the Territory are driving about half of all employment growth, despite the fact that they make up less than one-third of the labour force. While the mining states have seen the greatest benefit from the mining boom, other states have also benefited. As the Reserve Bank noted in its Statement on monetary policy released this month, the increase in Australia’s terms of trade and:

... the associated increase in national income has benefited all states through such channels as higher dividend payments to shareholders, increased demand by the resource-rich states for goods and services from the other states, and higher government revenues.

Labour market economist Professor Bob Gregory has also argued that the major source of jobs growth is not Work Choices but the strong growth in the economy which, in his view:

... is mainly driven by China, both through cheaper import prices and stronger export demand.

That is a view supported by Treasury secretary Ken Henry, who argued in his March departmental speech to staff:

Much of our recent macroeconomic and fiscal success is based on past reforms, assisted by the terms of trade.

If you ever wanted to see a slap in the face for the Treasurer, that is certainly it—a complete repudiation of the rubbish line he has been running in this House about the impact of Work Choices. Yet the Prime Minister continues to pass off the benefits of the mining boom as benefits from his industrial relations laws, as does the Treasurer. The reality is that much of our current employment growth has been generated directly or indirectly by the mining boom. The government is never far back when it comes to claiming credit for things really associated with the mining boom.

Earlier this month the Treasurer sought to claim that the massive tax windfalls generated by the mining boom were a product of his good economic management. The Treasurer attempted to mount the argument that the benefits of the biggest terms of trade boom this country has seen in half a century...
were somehow quarantined to company tax paid directly by the mining sector. That is complete economic nonsense and flies in the face of the view expressed by the OECD, his own department and many respected economists. As the OECD noted in its Economic Outlook report of last week:

... those countries that are major commodity producers (particularly Norway, Canada and Australia) have benefited from a tax windfall resulting from high commodity prices.

Another slap in the face for the Treasurer. In making these claims, the Treasurer ignores the boost to income tax collections from stronger employment and wage growth, not just in the mining sector itself, but also in other businesses serving it, like construction. He ignores higher capital gains tax from higher dividends paid to shareholders of mining companies, but also other companies that they do business with. He ignores jobs created in the finance sector, which provides the capital for infrastructure projects, and in the booming residential housing sector and so on. These sorts of claims are a reflection of a government that has been all too content to squander the benefits of the mining boom on things like $1.8 billion of political advertising over its 11 years, rather than investing the profits of the boom in future prosperity.

The government has also argued that its industrial relations laws are necessary reforms that will lift productivity and living standards. Yet the government has not once—I repeat, not once—asked its own key economic policy agency, the Treasury, to model the benefits. Why would that be? Why would you not ask the Treasury to model the benefits? Because you would not get the answers that you wanted. That is why the Treasurer has not asked Treasury to do that modelling.

In February this year the Treasury confirmed yet again that the government had not bothered to ask for an analysis of the government’s industrial relations changes since their introduction. The reality is that there is no available economic evidence that suggests the government’s industrial laws will lift productivity growth and future living standards. What we do know is that, since Work Choices was introduced in March last year, productivity growth has pretty much stalled. In fact, the Treasury is projecting that this financial year productivity growth will be zero. That is yet another economic fact that the Treasurer has chosen to ignore. The Prime Minister has further argued that winding back his industrial relations laws—ironically the very thing he is now purporting to do—would damage the economy, weaken our capacity to compete and destroy jobs. It is a claim that is completely bereft of substance. It is not backed up by any empirical evidence. In fact, it is about as credible as his 11 denials of a taxpayer funded climate change ad campaign in the parliament over the last few days.

I know facts and straight talking are something the Prime Minister is not entirely comfortable with, but here are the facts. Labor’s industrial relations system will take a middle path. It will be underpinned by workplace level collective enterprise bargaining, where employees and employers can directly bargain over employment conditions and productivity improvements. We know that an economy operating under an industrial relations system based on workplace bargaining can generate strong productivity growth. Over the five years after Labor engineered the shift from centralised wage fixation to enterprise bargaining in the 1990s, productivity grew at the rapid pace of 3.2 per cent per year. In the five years after the Prime Minister introduced AWAs, productivity grew by an average of just 2.2 per cent a year. As I have said, since Work Choices was
introduced, productivity has barely grown at all.

The government’s industrial relations laws reflect a narrow economic agenda. They are not the pathway to higher productivity. They are not the pathway to higher living standards. They do not build prosperity by undermining security. You do not create wealth by cutting wages and conditions of hard-working Australians. You create wealth by building a strong economy, by investing in the skills of your people, by boosting productivity through modern infrastructure, technology and innovation and by getting the incentives right in the system. These are all important elements of a broad and balanced middle path that will achieve higher employment, productivity and living standards.

The real risk to Australia’s future does not lie in Labor’s middle road in industrial relations; it lies in the complacency of this government over the last decade to invest in the drivers of productivity and growth. But, of course, rather than fronting up to our core economic challenge of turning around our flagging productivity growth, the Treasurer has instead been tying himself in knots with arguments about Labor’s industrial relations policy. The Treasurer has asserted that winding back Work Choices would cause sharp wage rises and fuel inflation. But one of the government’s key claims about Work Choices is that it would lead to higher wages. The Treasurer cannot claim that Work Choices causes higher wages and then complain that winding it back will cause higher wages. That is a nonsense. His central strategy seems to be that, if he shouts loudly enough, if he employs enough theatrics and bombast in the parliament, all these illogical propositions will suddenly become logical.

After last year’s failed leadership bid, the stakes are very high for the Treasurer at the moment. It is not surprising that there is no allegation too desperate, no logic too flawed, no claim too dishonest for the Treasurer to try on. He is really pushing the envelope of credibility right to the edge these days. In fact, almost daily, we see the Treasurer making a new sacrifice of his credibility on the altar of electoral advantage—for example, the Treasurer’s recent claim that Labor will reimpose a centralised wage fixation system. This is patently dishonest and he knows it. Labor will not be going back to centralised wage fixation. After all, it was the Hawke and Keating governments which moved away from nearly a century of centralised, arbitrated wage fixation in this country. It was this move by Labor which stopped the damaging wage spirals of the previous decades, the last of which was on the current Prime Minister’s watch as Treasurer in the Fraser government.

We face big challenges as a nation. There are the competitive challenges associated with the rise of China and India and of addressing climate change, to name a few. We are only going to get the Australian people—employers, employees, small business owners and public institutions—to make these changes and meet these challenges if they perceive that the rules are fair. If people think that the rules are rigged in favour of one side or the other, there will be a backlash and we will lose the support of the community for change. It is a backlash our community cannot afford if we are asking employees to play a part in meeting the challenges ahead. (Time expired)

The DEPUTY SPEAKER (Mr Wilkie)—Before I call the honourable member for Moreton, I advise the House that I have checked the record and, on 23 May, the Deputy Speaker ruled that the term ‘porkies’ was unparliamentary and required that term to be withdrawn. I understand that the member for Lilley withdrew that term at the time.
the point of order was raised; therefore, no further action is required.

Mr HARDGRAVE (Moreton) (10.55 am)—Mr Deputy Speaker, thank you for your conduct in that regard. The member for Lilley is well known in Queensland. I have known him for 23 years and he is a bit of a joke, really. He is known around the ridges as the ‘member for gilding the Lilley’. Essentially, whatever he says is always a great exaggeration.

Let me tell you exactly what is in the Labor Party’s policy document with regard to industrial relations. Page 14 of the document says that the bargaining participants will be free to reach agreement on whatever matters suit them. But the key thing to remember is that no employee will be able to escape the mantra of ‘no ticket, no start’. If a Labor government is elected later this year, compulsory unionism, either through membership or by involvement in every employment agreement, will be the way Australia is run. Employees will have a union application form stuck under their nose every time they start a new job. Labor’s policy document says that unions will force employers into having the following requirements in workplace agreements: deductions from an employee’s pay or wages for trade union membership subscriptions, paid leave to attend trade union training or union meetings—it could be a barbecue—and bargaining fees to trade unions. So even if you do not want the union directly involved in your discussion you have to pay the union. There is no doubt what the opposition is about in this debate. It is all about the financial purchase the unions have over their decision making. Labor’s policy also says that it will provide unions with information about employees bound by the agreement; that any future agreement must be a union collective agreement, mandating that union involvement must always be there in dispute resolution.

The point I make is that members on the other side are afraid of the facts in relation to their own ambitions. They want a union thug at every door. They want a union boss at every cash register, deciding who is hired and who is fired, and they then take pointless efforts to stop—

_A quorum having been called and the bells being rung—_

Honourable members interjecting—

The DEPUTY SPEAKER (Mr Wilkie)—Before this gets out of hand, I remind honourable members that privilege does not apply during quorums or divisions.

Mr HARDGRAVE—What the Australian Labor Party are afraid of is the fact that, while the government is introducing legislation to further underline the simple principle that people with skills and abilities can negotiate directly with their bosses and trade those skills and abilities to earn more, the Labor Party want to reinstitute a system where you can be sacked from your job for not being a member of a union—you can be sacked from your job for not being a member of a union but you cannot be sacked from your job if you steal from your boss. That is the sort of system that Labor had in place. That is the sort of system that members opposite continue to—

The DEPUTY SPEAKER—Order! The member for Moreton will resume his seat. Honourable members are required to either take their seats or leave the chamber and not conduct conversations in the aisles.

Mr HARDGRAVE—Fair dinkum, the disruptions from those opposite do not need to be further enhanced by any further delays in this debate. The thing that is absolutely critical to this discussion is that, while the government is introducing further strengthening of the safety net to ensure you only go forward and you do not go backwards, proving the big fib of the scare campaign from...
those opposite, they are afraid to hear the fact that they want to re-sponsor a system that says ‘no ticket, no start’—where the unions are back in your life, you have to pay a fee to a union whether you like it or not, you can be sacked from your job for not having union membership but you cannot be sacked from your job if you steal from your boss. Those are the simple facts. Those are the differences that people have to decide on.

Whenever there is an election called later in the year people will have to make a simple choice: do you want the unions back in your life or do you want to have a system of workplace trust in place? The government’s Work Choices legislation, the reforms to the Workplace Relations Act that we introduced last year, has successfully grown the number of jobs—for one very plain and simple reason: the government has put in place a system that says to the employers of Australia, ‘You’ve been saying that, once Labor’s unfair dismissal law went, a law that said you could be sacked from your job for not being in a union but you couldn’t be sacked from your job if you stole from your boss, you would hire more people.’ We have given the confidence to the employers of Australia to hire more people—325,000 more jobs have been created. At the same time workplace trust has instilled a system where people with skills, abilities and experiences to trade have been able to do so.

In that old Industrial Revolution argument about the owners of capital versus the owners of labour, the owners of labour have the power in this country—they have the power to decide where they want to work and what they want to earn. The trade union movement is sidelined. The big impact for those opposite, with 26 out of the 30 members of the Labor Party frontbench being former union officials, is that they have their positions in this place delivered because of the union official status that they had before entering this place. That is their place in the scheme of things. The opposition frontbench, because of the affiliation fees that various unions bring to the Labor Party, and their influence on the decisions they make, are petrified that their circumstances are going to change. They are not worried about workers. You do not hear anything from the members of the Australian Labor Party about workers. They don’t represent workers; they represent—I was going to say ‘wankers’, but I guess that is unparliamentary, so I had better not. The point is that they do not represent workers; they represent the thugs of the union movement who want to have complete control over the way in which employment is generated in this country.

It is a time for workers in Australia to make a choice. If they have the skills and the abilities, something to trade when they go to their employer, and their employer does not respond, then at that point those workers are in a position where they can move elsewhere and take their job prospects to another place. That is what is happening. At the same time, under the government’s industrial relations changes introduced last year, most employers are doing the right thing. The few who have done the wrong thing have been highlighted in this place. Whether they have paid 2c an hour more or 45c an hour more, it does not really matter—either way, those employers do not deserve to have anybody working for them. What I would say to any employer who is not realising the opportunity they have to cement the relationship between them and their employees, to create a circumstance where people are well rewarded for their efforts, their skills, their abilities and their experience, is: you don’t deserve to have anybody working for you. I am on the side of the workers. People on this side of the chamber are on the side of the workers. But on the other side they are on the side of the union thugs, the union bosses—the peo-
people who put them here and who keep them here.

You only have to look at the efforts of the Commonwealth public sector union. A couple of months ago they said, ‘We want every Commonwealth public servant, everybody hired by the Commonwealth, if a change of government occurs later in the year, to compulsorily join the Commonwealth public sector union.’ Why? Affiliation fees. Why? Affiliation fees purchase power. Affiliation fees also mean they will be able to get more members of the Left into the federal cabinet. That is what this is really all about. In Labor’s industrial relations program is the forced joining of unions. In the policy they have announced people will be forced to join a union—no ticket, no start. That is what Labor’s vision for Australia is. It is all about the power plays that are necessary in order to cement people in certain positions in this place. That is what it is all about. There is nothing there about the workers. It is not about workers getting some advantage—after all, if it were, they would actually be heralding the fact that we have seen a massive increase in people’s personal incomes. Real wages have risen 23.4 per cent over the life of this government and they continue to grow. Strikes in 2006 reached the lowest level on record, which simply means that we are not seeing the union bosses muscling in, pushing people around, acting like the thugs they are capable of being and forcing people out of work and out of money over some particular principle. Remember the great tomato sauce strikes of the seventies and eighties? There was no tomato sauce in the cafeteria so it was, ‘Righto, brothers—all out!’ That was what they made them do. When the Darling Harbour project was being built in the eighties, 20 years ago, there were the ‘dim sim strikes’. What did that deliver for the BLF? The dim sim allowance. They could smell the Chinese restaurants of Sussex Street cooking lunch, which put them off their work—and until they got a dim sim allowance of five bucks a day, or whatever it was, they were not going back to work!

That is the sort of lunacy that Labor’s industrial relations delivered in the past. While we have put 23.4 per cent extra on average into people’s pay packets and have delivered 4.4 per cent unemployment, and the focus is on getting it down even lower, the Labor Party’s record shows a small rate of wage growth and the suppression of workers’ ambitions—(Quorum formed) We have had yet another wasted point of order by an opposition member who does not want the truth. The Labor Party call a stop-work meeting every time the going gets tough. It is like the great tomato sauce strike and the dim sim allowance strike all over again.

Here am I, outing the truth that, under Labor, wages went down by 1.8 per cent. That is what they did. The accord of 1983 was all about suppressing the workers. I have heard the member for Lilley say, ‘Let’s get back to an accord type context.’ That is all about taking workers and employers as far away as is humanly possible and putting up a whopping big wall called the union movement between them. We are saying that we want to see workers and employers negotiate with each other. We want to see employers appreciate their workers and reflect that in the pay packet. We want to see employers and workers work out a way that will work for them. We want to see more full-time jobs created, and that is exactly what we have been able to do. We have been able to restore a sense of trust. But we have conceded, through this legislation, that there is a need to further strengthen the safety net. We have put a line under $75,000 and said, basically, that that figure and anything below it has to be even further tested, further resourced and further strengthened to make sure that people who are at the margins, who are new in the work-
force, who are in a vulnerable position, who are in lower wage jobs or who are teenagers—the sorts of people the Labor Party have tried to highlight and for whom they have tried to make out that suddenly everything has gone wrong—are further protected.

What we have seen as a result is that the teenage unemployment rate, which was 17.3 per cent in April 2007, is half what it was in July 1992. Labor’s great love for the teenage workforce, expressed by their concern about industrial relations practices, saw them drive teenage unemployment up to 34.5 per cent. Labor love to create victims. They love to create the sense that you cannot have a point of trust between employers and employees. Whereas the government believe that most people are going to do the right thing on most occasions, but we are now strengthening the laws which underpin that those who do the wrong thing will face the penalty for it.

That is the point of difference between the Liberal and National parties and the Labor Party. Labor believe that most people cannot be trusted and that you need to create a legislative environment where people are restricted in their conduct and control—in other words, big unions are involved in the discussion. Whereas we on this side believe that you need a legislative environment which says that most people can be trusted and that those who do the wrong thing will be penalised by law, and that is what we are doing today. We are further strengthening along those philosophical lines. We actually believe that those who want to collectively bargain can do that, and should be able to do that. But we do not want to see a circumstance, which Labor want to introduce after the election, where if there is just one member of a union in a workplace everybody in that workplace will be subject to union intervention. That sort of lack of trust and lack of maturity shows that, because of their strong affiliation and the purchase that has been made of them and their opinions by the union movement through their affiliation fees and through the way in which the Peter principle operates, whereby incompetent union officials get selected and appointed to federal parliament, members opposite have that sort of principle guiding their conduct. Labor are showing that they have to return on their preselection in this place. With 26 of 30 along the front bench being former union officials, my point is proved.

What really disturbs me is that I cannot find where any of them have actually been on the tools. I cannot find any having been union officials who have started by actually hammering in a nail or drilling a hole or weaving a fabric, or doing anything that involves the trade that the union they are a member of represents. I cannot find any of them actually having been workers; they have simply been officials. Nothing drives people in this country more crazy than the idea of being forced to have the unions in their lives.

A few weeks ago, Rod Cameron, the Labor Party’s pollster of choice, said that he does not know why Labor cannot get over the idea of personal agreements—not individual contracts. These civil law contracts that the Labor Party are all about are so draconian and unfair, compared to the guarantees delivered under Australian workplace agreements. Rod Cameron cannot understand why Labor cannot get over it. He said quite plainly—and he is right—‘People do not want the unions back in their lives.’ But that is what the Labor Party will represent if their agenda gets up after the next election. I welcome this bill because it further strengthens the government’s ambition for people to earn more, not to go backwards. I commend this bill to the House.
Mr BRENDAN O’CONNOR (Gorton) (11.15 am)—In speaking on the Workplace Relations Amendment (A Stronger Safety Net) Bill 2007 I begin by responding to some of the comments made by the honourable member for Moreton. Clearly, he is so out of touch with what is going on in the current industrial relations scene. He is so out of touch that it sounded as though he was giving a speech in the fifties, never mind the seventies, eighties and nineties. I think all of the assertions he made with respect to Labor’s policy are entirely and utterly wrong. But the debate we are having on this bill today is no ordinary debate. This bill and the Work Choices laws it seeks to marginally amend are about what sort of country Australia is and what sort of country Australians want it to be—whether we want to live to work or work to live.

We know the Prime Minister has always held a radical view on industrial relations but only in this term—his 14th parliamentary term, his 34th year in parliament—has he had the political opportunity to impose his plan on Australian families. Knowing what we know about the Prime Minister and about his radical IR views, how can this amendment to Work Choices be seen as anything other than ensuring protection for only one job in this country—his own?

Labor clearly wants an IR system that is productive but fair. Labor—not the coalition, despite the rantings by the member opposite—commenced the move from central wage fixation to enterprise bargaining, but we did so without throwing fairness out of the back door. Why is this bill not a sufficient remedy for what ails Work Choices? Work Choices is fundamentally flawed. It is unfair and unnecessary. It is complex, and it is not a system for a modern economy. Let’s remember: the government spent $55 million of taxpayers’ money to try to sell Work Choices to Australians, telling them that their employment conditions were protected by law. If those very expensive commercials on television were telling the truth, I would not be standing here at the dispatch box this morning debating this tokenistic bill. And it is a token. It may well help some employees in this country. There may be some marginal improvement for some employees in some workplaces in this country, but it will not fix what is wrong with Work Choices. It will not be fixed by sacking one minister—a minister who this morning moved to guillotine debate on this bill—and replacing him with another. Hockey might be the jockey, but it is still the same old horse, and what a nag it is. If it had entered the Melbourne Cup last year—

The DEPUTY SPEAKER (Mr Barresi)—Order! Members will be referred to by their correct title or by their—

Mr BRENDAN O’CONNOR—it would still be running, and the Prime Minister ought to know that changing a horse’s name—

The DEPUTY SPEAKER—Order! The member for Gorton will not speak over the Deputy Speaker when he is addressing him. I have asked the member for Gorton to refer to members by their correct title or by their seats.

Mr BRENDAN O’CONNOR—Indeed, if it had been running in the Melbourne Cup last year, it would still be running. The Prime Minister ought to know that changing a horse’s name will not make it win any races. It might get you in trouble with the stewards, but it will not win any races.

The government is in trouble. Let me tell the House why. When the Prime Minister referred to the coalition’s promises in the 2004 election campaign, there was no mention of Work Choices. On 28 September 2004, the coalition’s industrial relations policy was announced by the Prime Minister. There were no references in that announce-
ment to the weakening of the independent umpire, to the abolition of the no disadvantage test, to the removal of unfair dismissal laws for employees employed by companies with between 20 and 100 workers and to the primacy of Australian workplace agreements over collective agreements. In fact, the Prime Minister did not foreshadow any of the more radical elements now contained in Work Choices, which were not removed by this bill. Consequently, there was no mandate and, I contend, no confidence demonstrated by the government that these policies had the support of the majority of Australians. Introducing the proposed changes to the parliament eight months later, the Prime Minister said:

The measures I am outlining today represent the next logical step towards a flexible, simple and fair system of workplace relations.

Labor refutes the assertion that Work Choices is flexible, simple or fair. Let me first challenge the government’s assertion that the new laws create flexibility and the required environment for economic growth. It is true that the economy is growing. In fact, Australia is enjoying its 16th year of economic growth. However, economic growth has slowed, despite the unprecedented resources boom. Western Australia, Queensland and the Northern Territory are growing rapidly, due largely to that boom. We are seeing a modern-day gold rush in the mining industry. In fact, mining is experiencing 15 per cent real growth each year.

When the government seeks to take credit for employment growth, we know what is fuelling that growth—and it is not Work Choices. In fact, since the introduction of Work Choices, employment growth, from March 2006 to January this year, was 2.39 per cent. That is lower than for the same period in 2004-05, when it reached 2.64 per cent, and also lower than in 2002-03, when it reached 2.79 per cent. Employment growth is not increasing as a result of Work Choices. In the first six months since Work Choices was introduced, productivity growth went out the back door by a further 1.6 per cent. So here we have the situation where, in short, our economy grew and productivity accelerated that growth when a comprehensive safety net, a no disadvantage test, unfair dismal protections and an independent umpire all existed. That refutes the contention that somehow Work Choices is fair.

Is Work Choices simple? That is what the Prime Minister asserted. The Prime Minister said that the government is determined to make it simpler to bargain at the workplace level. He said that in his statement in May 2005. By the end of that year, the simplicity promised by the Prime Minister amounted to more than 1,000 pages of draft legislation followed by another 400 pages of regulation. This legislation was the height of a small child. On top of that, we now have this bill being introduced. This is a flawed bill. As I understand it, since it has been introduced there have been further amendments introduced to be made to the bill. So we now have amendments to the amendments. Whether you support the merits of the bill and whether you agree on the extent to which it can improve the lot of workers in a workplace, the fact is that this bill is flawed. The process by which the government has set about amending or atoning for its sins with respect to Work Choices is entirely flawed.

These laws are complex and, indeed, they are manifold. Complex rules to calculate everyday matters like leave entitlements have been amended, but they are still complex—and more complex than before Work Choices. Onerous record-keeping requirements had to be amended and the dates for compliance postponed again and again. There are unclear rules about what can and cannot be included in agreements. There is uncertainty about when an employer must
withhold pay for periods of industrial action. There is little guidance about what is a genuine operational reason for terminating an employee. The government also asserted originally that Work Choices was fair. Indeed it has suggested that it will be more fair as a result of this bill. The government says, and it has said all along, that Australian workplace agreements are good for employees. But let’s look at the government’s own figures.

Senate estimates in May last year revealed that 6,263 AWAs had been lodged with the Office of the Employment Advocate since the commencement of the government’s legislation. Of those sampled, 100 per cent—that is, all of them—excluded at least one protected award condition; 63 per cent, almost two-thirds, removed penalty rates; 52 per cent, more than half, removed shiftwork loading; and 16 per cent removed all award protected conditions. This trend, confirmed by Office of the Employment Advocate figures which were subsequently leaked to the Sydney Morning Herald, confirmed Labor’s fears that Work Choices was driving down employment conditions in workplaces. AWAs in particular were being used as a pernicious instrument to subvert awards and conditions of employment in workplaces. There is no doubt that many AWAs were being forced upon employees. The government are so well aware of this that they expressly inserted a provision in the legislation that said it is not coercion to refuse employment to a prospective employee if they are told to sign an AWA if they want to get a job.

We also know that the intersection of these laws with the unfair dismissal changes meant that no employee could stand up to his or her employer and bargain in good faith genuinely for an individual agreement. There might be some with a set of scarce skills who would have the market power to do so. But, in the main, what employee would be in a position to bargain with and defy an employer putting a particular agreement before them on the table? Given that the changes to unfair dismissal laws have not been changed by this bill, it is still the case that five million Australian workers can be sacked for any or no reason whatsoever. How do you expect those employees, without any employment security at all, to stand up and say, ‘I would like a little change there, an amendment here and then I will sign that agreement’? We know it is fanciful. The government knows it is fanciful. And this bill will not fix it. This bill is an attempt to pretend to the Australian public that things have been fixed, but of course they have not.

The key to Labor’s industrial relations system will be collective enterprise bargaining. Evidence here and overseas proves that collective enterprise bargaining can achieve higher productivity and wages outcomes than systems based on individual contracts. Such a system invites employers and employees to work collaboratively. Labor’s policies will focus on increasing productivity but will also seek to restore balance in the system. Labor do not support the view that Australian workers must needlessly suffer in order to ensure economic growth. We seek to ensure that Australian families can juggle work and family interests without undue stress. The benefit of economic growth is diminished if we fail to ensure that people can have a decent life in and beyond their workplace. We are also confident that awards and collective agreements in conjunction with common-law arrangements will provide sufficient flexibility to satisfy all parties—or at least satisfy all parties that do not want to act in a roguish manner.

Despite the rhetoric of those opposite, I do not believe that most employers want to act in a manner that would be improper for their employees. But this is what you have: you have set of laws that allow bad employers to
do bad things and force good employers to consider doing the same thing. It is a race to the bottom. It is forcing good employers to have to consider cutting employment conditions because bad employers are doing so. When you have that situation, the best of employers is placed in the position where they are under competitive pressure to consider adversely their own staff.

It should be remembered that common-law arrangements already cover 30 per cent of all employment agreements in Australia. They have existed throughout the life of this government, they existed before 1996 and they will exist beyond the life of this government. We believe that the common-law agreements—which, by the way, are 10 times more popular than AWAs—are a sufficient instrument to be used in conjunction with awards and agreements to ensure sufficient flexibility. I think they refute the assertion that there is not sufficient flexibility within Labor’s plan for industrial relations.

Let’s now look at the government’s panic since the polls showed them that Work Choices is poison. This is the only reason why the Prime Minister has responded. Remember, the Prime Minister is the author of the legislation. The legislation is a manifestation of the Prime Minister’s dream of the last 30 years. There is only one thing more important to the Prime Minister than his industrial relations plans—that is, his continued presence in the seat across from me at the dispatch box. The only thing more important to the Prime Minister than his industrial relations plans is his own future in the role of Prime Minister of this country. So what did he do once his own pollsters told him that Work Choices was poison? He attempted to set up a set of conditions that have been contrived to convince enough people that he is fixing the problems of Work Choices. We announced our policy on 28 April. The government announced changes to the operation of Work Choices a week later. One week later, on 4 May, the government announced changes to the Work Choices legislation. I watched the media conference held by the Prime Minister and the minister. The minister looked like he had been called up for *This is Your Life*. He did not even know what he was doing there. He was standing there next to the Prime Minister wondering what the hell he was doing there as the Prime Minister announced that there were going to be changes to the legislation. There were announcements made and the very next day newspaper advertisements appeared across the country and television and radio advertising commenced. What we discovered in estimates was that the expense behind that has amounted to $4.1 million so far.

More interesting is that whilst the announcement was made on the 4th the operation would commence on the 7th, which was three weeks ago, and we are debating the bill now. We had advertisements on television and radio and in the newspapers about a law that did not exist and does not yet exist. We saw it for the first time this week and the government has spent millions of dollars of taxpayers’ money explaining a law that did not exist. That is an absurd situation, but it is an explanation for the panic inside the government, because they know now that Work Choices is poison. They would love to be able to leave it untouched, but it is poison and they are seeking to make amendments to it. In the current political context we see a government seeking to pretend that there are sufficient changes to remedy Work Choices, which Labor says cannot be fixed by such amendments.

We know that the government need not have guillotined the bill. There are many members in this House, representing their constituents in every state and territory, who wish to speak to this bill. They will be refused that right because the government will
close down debate before the end of today so that members in this House will not be given an opportunity to speak. I would also imagine that it is to protect the government members who have been defending Work Choices for the last 18 months and do not want to go on the record and have to defend it again. We know who spoke on Work Choices and who defended it, and we know they have not changed their intent. We also know that after 18 months of Work Choices they want to convince the Australian public that we are going to get 18 weeks of fairness, but then, if they win the election, they will go back to what they want. They want to convince the public that we had 18 months of Work Choices, where they hid the figures and did not disclose them—we had to uncover them—and then they give us possibly 18 weeks of so-called fairness which is not in any way going to improve Work Choices in a proper way. They say that somehow that is going to fix the problem. That will not fix the problem.

There are problems with this bill. Firstly, we have 250,000 Australian workers on AWAs that were made pursuant to Work Choices before these proposed amendments, and they will not be able to fix those agreements. That means we have at least a quarter of a million people, if not more, on agreements that will not have this so-called fairness test apply to them. Whatever improvements could exist, those employees and their families will not be better off and will not have any remedy for those agreements. They are not to be changed and that means we will have employees working side by side on different AWAs with different conditions doing the same job. They will be doing the same job in the same workplace because the government has completely hashed this and has only sought to amend it for their own political hide. Despite the changes arising from this bill, an employee may still be worse off under a workplace agreement than under an award.

Further, it is not clear what fair compensation might be. The announcements refer to benefits such as higher hourly rates of pay and also to matters such as car park spaces or flexible hours. I think it is important to ask: will the mere offer of a job be considered sufficient compensation to offset any loss of protected award conditions in certain circumstances? The Prime Minister hinted that an offer of a job in certain circumstances may be sufficient, so there may not be fair compensation.

We have a vague definition of struggling businesses although we do not know what that means or how it will be determined. There will be no review of any decision made by the new authority, the former Employment Advocate, so we will not be privy to that. We will not know the way in which that form of compensation may exist or how struggling companies will be able to exempt themselves from this so-called fairness test.

There are major problems with bill. It does not go to the heart of the protections required. As the shadow minister said, they can change rosters without notice and that will not change; they can remove all your redundancy entitlements that are in the award and that will not change. There are so many areas that are unprotected. More importantly than the bill itself is the intent of the government. Whatever improvements there might be—and I have conceded there are some marginal ones, and that is why we will support the bill—the government do not believe in this set of laws, they do not believe in fairness in the workplace and they never have believed in fairness in the workplace. The only reason they are introducing this bill now is to save their political hide. The only job that this government concerns itself with is the Prime Minister’s. It does not
Mr Slipper (Fisher) (11.35 am)—

When one looks at the opinion polls on a regular basis around Australia, it is pretty clear that what the Labor Party is seeking to do under the new Leader of the Opposition is to create a veneer of moderation. The ALP would have us and the community believe that it has set aside its past as the party of the unions, controlled by the unions and a party which legislates for the unions. The shadow minister for transport, roads and tourism is at the table and, in a prior manifestation, he was Australia’s peak trade union leader and I must say that he was somewhat better than some of the others. Having said that, the Labor Party is clearly the party of the unions. The wonderful thing about the Workplace Relations Amendment (A Stronger Safety Net) Bill 2007 is that it does give the people of Australia the opportunity to see the Labor Party in its true clothing. The wolf in sheep’s clothing will have its fleece removed and we will see the Labor Party for what it is. The Labor Party cannot help itself in this debate; it must come forward with its ideological bent supporting the growth of trade union power.

What this government has sought to do since 1996 is to bring about an Australian economy that is world class. We have made some essential changes. We appreciated that, as a nation, we could not allow ourselves to fall behind the rest of the world. We have taken some very difficult decisions. We were the first government to reform our outdated and antiquated tax system through the introduction of the GST. We have made sure that we have a much more efficient waterfront. We have moved people from welfare to work. And we have brought about reform of the industrial relations system.

The Labor Party would have us believe that we are a party which is opposed to the rights of ordinary working men and women. When one listens to the speeches made by members of the Australian Labor Party in this place, it is pretty clear that the Labor Party is tired and that it is the same old party it always was. Hopefully this message will get through to the Australian people in the months between now and the election: the Labor Party is the party it always was. It might appear to be more moderate, it might appear to be more financially responsible and it might appear to have put aside the things that caused the Australian people to vote against it for so many years, but the reality is, when one listens to the debate in this bill, that members of the Australian Labor Party are still mouthing the rhetoric, principles and outdated attitudes that historically have highlighted the Labor Party as a party controlled by trade unions. (Quorum formed)

I would like to thank my friend the honourable member for Melbourne Ports for gaining a slightly greater, although necessarily temporary, audience for what I was saying: that this debate gives all of us the opportunity to see the Labor Party in its true clothing. The Labor Party cannot help itself in this debate; it must come forward with its ideological bent supporting the growth of trade union power.

This government has reformed the industrial relations system but we have carefully monitored the law to make sure that it retains the aims that the legislation had when implemented by the parliament. This industrial relations legislation seeks to bring about increased flexibility. The Workplace Relations Amendment (A Stronger Safety Net) Bill 2007 introduces a new fairness test which will enhance the safety net for over 7½ million Australians making workplace agreements. It will enable employers and employees to modify or exclude protected award conditions, but only where employees are
fairly compensated. So this bill is finetuning the legislation which has been carried by the parliament.

I will state some other facts which should allay the concerns expressed by members of the opposition. The fairness test guarantees employees fair compensation in lieu of conditions such as penalty rates, overtime and shift loadings. The stronger safety net provides additional protection to vulnerable employees, including younger people and those from non-English-speaking backgrounds. The bill will guarantee that, when Australian workers enter into a workplace agreement, it will be a fair one that has been approved by an independent statutory authority. This bill is not an about-face by the government; it builds on the very real, meaningful and substantial reforms which we have introduced since 1996 and again more recently last year.

This bill is an important part of an employment system which has reduced unemployment to a rate of 4.4 per cent; in some parts of the country it is even lower. It has created two million jobs, many of which have been full time, over the last 11 years. And it has been responsible for close to 10½ million Australians being in work. The bill will ensure that Australia’s future economic prosperity is bolstered by a flexible and modern industrial relations system.

The honourable members opposite would have us believe that there are inadequate safeguards in this legislation. The honourable member for Gorton, speaking in the House, said that he conceded that the bill, in his view, contained marginal improvements but that it simply did not go far enough. Well, the introduction of the fairness test is accompanied by the establishment of two independent statutory officers, the Workplace Authority director and the Workplace Ombudsman, who will play key roles in making sure that the safety net is maintained for those 7½ million Australians.

The bill will require the Workplace Authority to apply the fairness test to ensure that workplace agreements provide for fair compensation in lieu of protected award conditions such as penalty rates. The ombudsman will guarantee that employers comply with their legal obligations in relation to the fairness test. The ombudsman will strengthen the policing role that has been undertaken by the Office of Workplace Services. The government is providing significant funding to ensure that these functions are well resourced. Most people would concede that that is a very important step.

The opposition would have us believe that common-law contracts are an adequate substitute for Australian workplace agreements. At first hearing, ‘common-law contracts’ sound as though they might be something roughly equivalent to Australian workplace agreements, but the problem is that nothing is further from the truth. I would like to outline to the House what common-law contracts supported by the Labor Party will actually mean. If a worker is covered by an award and employed under a common-law contract, he or she is entitled to be paid in accordance with the award. If hours are worked which entitle the worker to penalty rates under the award, the worker must be paid those penalty rates. This has been the case in Australia for close on a century. It is absolutely false to suggest that a common-law contract provides the flexibility that Australian workplace agreements provide. Under common-law contracts, employers and employees do not have the freedom to enter into their own arrangements, because they are always confined by a rigid award system. This is a classic case of the Australian Labor Party saying to the people of Australia that they support increased flexibility. When one understands the laws underpinning those
common-law contracts, it is clear that the flexibility which the ALP would have us believe is there is not actually there. That is why we need the industrial relations changes which have been made by this government and continue to be improved by this government through the Workplace Relations Amendment (A Stronger Safety Net) Bill 2007.

This new industrial relations system brings about more flexibility and convenience for the Australian workforce and reduces the stifling impact of an industrial system which has well and truly passed its use-by date. What might have been suitable during the class warfare battles of the 1890s is certainly not suitable in 2007. The ALP, despite its veneer of moderation, continues to support industrial relations principles which would take Australia back to the industrial dark ages. The coalition government and successive ministers ought to be complimented and commended for taking some difficult decisions, for not just accepting that what was there was good enough and for looking in a visionary way at what Australia needs if we are going to compete with the world. This bill gives the Australian people an insight into the collective mind of the Australian Labor Party. Despite the fact that the Labor Party would have us consider that it is in some way ‘New Australian Labor’, it is ‘Old Australian Labor’. This bill strips away any attempt by the Australian Labor Party to claim that it is a modern party dedicated to a positive prosperity for Australia in the future. (Quorum formed)

Since we seem to be having these constant quorums, I will use the rest of the time, which I was not going to use in this particular debate. The fact that we now have more honourable members in the chamber enables me to reiterate how false the support of the Australian Labor Party for common-law contracts actually is. The ALP would have us believe that those common-law contracts bring about flexibility. The reality is that those common-law contracts do not bring about extra flexibility and the situation is that the unions will still be able to subvert Australian workplaces under these common-law contracts. The Labor Party is hoodwinking the Australian people by failing to properly disclose that common-law employment contracts are incredibly inflexible and give the union movement the ability to smash any stability and consistency that an employer may have to have.

Looking at the pious second reading amendment moved by the Deputy Leader of the Opposition, I see that the Deputy Leader of the Opposition once again appears to be supporting the so-called ‘unfair dismissals law’ that was introduced by the Australian Labor Party in government. I used to be in small business, and many members on this side of the House used to be in small business. Not many members on the other side were ever in small business. But we all understand that employers do not want to lose good employees. Good employees are extraordinarily difficult to come across. Good employees are extraordinarily important to keep as part of your workplace. Why on earth would any employer seek to get rid of a good employee without cause? When we were in opposition, I heard lots of stories from the Sunshine Coast workplaces of ordinary small business people who were prepared to go out there and have a go and to put on extra people to help boost the local economy and to help create jobs. Yet under Labor’s unfair dismissals laws those people were dragged through the tribunals and were dragged through the courts because they had a person on their staff who was destroying their business. Ultimately, what they effectively had to do was write a cheque just to get rid of that person off the books. What we have done through our exemptions for small
business is to recognise that we ought to encourage that sector that is the engine room of the Australian economy.

A huge proportion of employment in Australia is created by the small business sector. I think it was Kim Beazley who said at one stage that the Labor Party 'was not the friend of small business'. In this debate once again we see Labor Party members standing up in the parliament and saying that it is not the friend of small business. If you strangle small business, you strangle the Australian economy. This attitude of the Australian Labor Party and this outdated 1890s industrial system that they seem to want to go back to are simply going to undermine the Australian economy in the unfortunate event that the Australian Labor Party is elected to the treasury bench at the election later this year.

This government has a proud story to tell. Since March 1996, more than two million jobs have been created. Over 1.1 million of the jobs created are full time and almost 900,000 are part time. Since Work Choices came in, 326,200 additional jobs have been created. Since Work Choices came in, 277,200 full-time jobs have been created, accounting for 85 per cent of all jobs created. There are well over 10.4 million Australians in work at the moment—a record high—with 7.4 million in full-time employment and 2.9 million in part-time work. This government has the runs on the board. We have a fair and compassionate industrial relations system. We constantly seek to make sure that our system is up to date for Australia. The Workplace Relations Amendment (A Stronger Safety Net) Bill 2007 is a further tool in the armoury of this government to make sure that we have a world-class industrial relations system that is fair to all Australians. (Time expired)

Mr CREAN (Hotham) (11.55 am)—I rise to support the second reading amendment moved by the member for Lalor. I must say at the outset that I am intrigued by the title of this bill. It is called the Workplace Relations Amendment (A Stronger Safety Net) Bill 2007. A stronger safety net? There is no safety net under Work Choices—never has been, and there is no intention for there to really be one in the future. The truth, though, is that any concession by this government, in its desperation, that advances fairness will be supported by us but it will not end the unfairness of its Work Choices system. This House will have the opportunity—and members opposite will have the opportunity to join with us in supporting amendments to this bill later—to advance even further the test of fairness. Let us see if they are prepared to do it. Let us see if they genuinely believe in the need to advance fairness.

Work Choices is an unfair workplace relations system. Work Choices offers no choice. If in fact the employer decides he will not bargain in good faith, that employer does not have to. The system of workplace relations that this government has introduced reweights the whole equation in favour of the employer. It is a take it or leave it approach: take the AWA or take the sack. Work Choices abolishes the independent umpire. It destroys collective bargaining. It does not protect the right to freedom of association. It does not require good-faith bargaining. This bill is an inherent admission of the failure and the unfairness of Work Choices.

Whilst I am on the topic of Work Choices, I note that we still talk about it but the government does not. The government has dropped the term. So poisoned is ‘Work Choices’ in terms of what it conveys—no choice, and work chances but certainly not work choices—that the government has dropped it from its advertising and marketing direction. Now the great policy that was supposed to lift productivity and help workers dare not speak its name. The government has
disowned it; it has become an orphan. Yet this government would have you believe that this was going to be the great panacea in terms of lifting productivity. I will come to that issue a bit later.

Here we have an advertising campaign on which $5 million has already been spent before we even have the legislation. How can we be advertising anything if we do not know what it is that is being introduced by way of legislation? But $5 million has been spent before they knew what they were advertising only to promote what they weren’t as they had dropped the title. And the $5 million which they have already spent on this flawed approach is estimated to rise to about $40 million—just on this advertising campaign alone.

Why do we have this legislation before us? We know the system is unfair. It is acknowledged by the government that they have to do something. How far they will go, I will come to in a minute. The truth is that the Prime Minister fundamentally does not believe that his system of workplace relations is unfair. Why? Because he has never believed in encouraging a system of industrial relations in this country that fosters cooperation. I remember when the current Prime Minister was shadow minister for industrial relations when Labor was in office and Labor was developing the Prices and Incomes Accord with the trade union movement of this country, which I had the privilege to lead as President of the ACTU. John Howard came to the office to try to understand what the accord mechanisms were about. I took him through at great length what we were involved in—sharing the commitment to growing the wealth of this country, but on the basis that in whatever we created together, there should be fairness as to its distribution. That is a fair deal. It was the Prices and Incomes Accord that laid the basis for the prosperity in the country. It was the accord that controlled inflation and brought interest rates down. It was the accord that gave distribution to the workforce other than through money wage increases. It was the accord that gave this nation superannuation. It was the accord that understood the importance of trading the social wage for the money wage and reducing the cost to the employer so that we could lock in low inflation and keep the low interest rates.

Let’s remember that, when Labor came to office, John Howard had left an economy as Treasurer in 1983 with 11 per cent inflation and 11 per cent unemployment and interest rates at around 16 per cent. He never wants to talk about that. He will talk about what Labor did, but he will never talk about what his record was. Who ensured that this economy laid the basis for its sustained recovery? It was the Labor Party in cooperation with the trade union movement. That is what comes from a cooperative system. But it is also a system that delivered its own fairness. It is a system that John Howard never sought to understand because he didn’t believe in it. He believed in re-weighting the system in favour of the employers, of seeing workers as costs, not as human beings who have to earn a decent income and bring up families, not as skilled workers and contributors to a productive workforce who need to be invested in, not a partnership that needs to be fostered at the enterprise level. The Prime Minister wants none of that. He wants to turn us into a dog-eat-dog society, to drive individualism. Workforces do not operate as groups of individuals; they operate as teams. Why shouldn’t we be fostering collective bargaining, the collective approach? That is Labor’s way, but it is not this government’s way and it is not what this legislation does.

So why the change? On 4 May the Prime Minister had read the polls—and they have got worse for him since. Fearful, and building on his ‘annihilation’ message, he an-
nounced he would introduce a new ‘fairness’ test to the poison that is Work Choices. I ask the House to note that it is not a no disadvantage test; it is just a fairness test. Labor supports a no disadvantage test and so did the Prime Minister until he got control of the Senate, but the fact is that he does not believe in it. To define ‘fairness’ we have legislation and an explanatory memorandum of 150 pages. What is fair about that? Also, what is fair about the government announcing the legislation on 4 May, almost a month ago, but not introducing it into this House until Monday night? So they take four weeks to draft this cobbled together hotchpotch, and then only give the House one day to debate it. What is fair about that? As for whether people should trust this government to deliver this message, why should we believe them? After all, it was the Minister for Finance and Administration who, at an HR Nicholls Society function, said about Work Choices:

There will have to be more reform ...

Last week the Treasurer was asked if he could guarantee whether there would be no further changes if the government were re-elected and he was Prime Minister. These were the Treasurer’s words:

Well, I’m not going to speculate on what might happen after the election.

If you need any further confirmation that this legislation will be changed if the government is returned, you only have to look at what was said by the henchman of the outfit, Peter Hendy, who heads up the Australian Chamber of Commerce and Industry. He was Peter Reith’s right-hand man, people might remember, in the waterfront dispute, involving that sinister midnight raid that stripped workers of all their wages and conditions. Peter Hendy is now running one of the major employer operations in this town. He said in a press statement yesterday:

Yesterday’s amendments—having criticised them and expressed disappointment about them—will need to be monitored over time.

What is that code for? That is code for ‘Re-elect this government, and even this sham of a fairness test will be stripped away.’

Labor is for fairness. But this fairness test does not go anywhere near far enough to restore the fairness and balance in the system. There is some improvement, with the ability to investigate unfair conditions imposed on workers, but it does not take away the unfairness of what is in place. The reason we are prepared to support this in the end is that it does make a marginal improvement. I will tell you how it makes a marginal improvement. People might remember the circumstances of Darrell Lea. Everyone knows the chocolate company Darrell Lea; we buy their chocolates, we enjoy them. Just before Easter they offered AWAs to all of their casual employees, some 150 people. Those AWAs cut casual loading, weekend and public holiday penalty rates, rostering protections and sick leave for no compensation—not one cent.

Under this legislation, that cannot happen in future. Unfortunately, nothing can be done for those 150 Darrell Lea workers because this legislation is not retrospective. The legislation introduces a fairness test that says, ‘If conditions are to be stripped away there has to be fair compensation.’ I point out it is not ‘full’ compensation, but ‘fair’ compensation. I will come to the question of how we define fairness in a minute. The Darrell Lea circumstance could not be repeated under this legislation—something would have to be offered in return. That is why, in the end, we are prepared to support the legislation, but the trouble is that it does not go anywhere near far enough. What we want is a system that does restore the right to collectively bar-
gain, that does restore the requirement for employers to bargain in good faith and does restore the independent umpire. That will not happen under this legislation. That will happen under a Rudd-led Labor government.

Let us look at the detail of the legislation. What is this new fairness test? As I say, it takes almost 150 pages to try and describe it. What does it do? This legislation still does not protect crucial award conditions. The only fairness that has to be addressed is in relation to any changes over the 11 protected award matters—rest breaks, shift allowances, overtime, penalty rates and public holiday pay, for example. It does not cover other crucial award conditions, such as redundancy pay, long service leave and flexibility in rosters. Understand what that means: even under this new fairness test, if an employer strips away those benefits there is no requirement for any compensation at all in relation to those aspects. As I said, fair compensation—even in relation to the 11 matters—does not mean full compensation.

But there is another question. How does the government assess what is fair? We do not know. The legislation establishes a secret process. It is up to the Workplace Authority director to make a judgement as to whether there has been fair compensation for the stripping away of just 11 conditions. There is no requirement for a time frame on the decision, which means an employer can be started under unfair conditions and, if they are found to be unfair, restitution made later. So the employer can still start people working unfairly and there is no time frame for decision, no ability for the employee to have input, no ability to have their say as to whether they think they are being compensated fairly or not. No reasons are required to be given when the Workplace Authority director hands down their decision. There is no right of appeal and, as we have seen with the Darrell Lea case, a workplace agreement, once struck, can last for five years—five years of entrenched unfairness.

The body that is going to undertake these secret investigations comes at a cost of $370 million over the forward estimates and has 600 assessors. Can you believe the system the government is putting in place? This is a government that has effectively abolished the conciliation and arbitration system in this country—the independent umpire which has served this country well, which hears both sides, holds open hearings, gives reasons and all of those sorts of things. It has abolished the independent umpire and instituted a secret police organisation to determine fairness. That is what this government means by introducing fairness.

Let me come to the question of productivity, because the government asserts that productivity will increase under its workplace relations system. I have made the point that Work Choices is an unfair system, but it is also bad for the economy. It is bad for the economy because it does not drive productivity at the workplace. I talked earlier in this address about the contribution the trade union movement had made through the accords to productivity. Let us look at the comparisons. The cooperation that Labor was able to produce through those accords produced big dividends for the economy. The 1990s saw the biggest step up in productivity ever in the history of the country. Between 1991 and 1996 labour productivity improved from 1.9 per cent to 2.5 per cent—the biggest increase ever. Do you know what the budget papers forecast productivity to be? Zero. Not only have they not increased it but also they have reduced it to zero.

The big upward trend that we experienced up until we lost office in 1996 continued for another four years. Why? Because the government could not get their changes to industrial legislation through the parliament. It
was not that they did not try. The then minister, Peter Reith, tried—his first wave of industrial relations reform, his second wave, his third wave—but there was a Senate that kept blocking it. Between 2000 and 2005, when they started to get the changes to their workplace relations system into place, productivity, which peaked at 3.1 per cent under our system—Labor’s system—plummeted to 1.7 per cent, almost half. Now the budget is projecting it is going to go to zero. When we are a hugely fast growing economy why would you introduce a system that was working against our interests in terms of advancing productivity? The Productivity Commission has estimated that, if the productivity growth that Labor oversaw could be maintained now, the decline in productivity that comes about because of an ageing population could largely be contained.

Labor had an intergenerational solution, through the workforce, to our ageing population and it came about through cooperation and fairness. The government blew it. Not only has productivity plummeted but their obsession with reducing union influence, rather than working to a more productive economy, is costing us in terms of the economic sustainability of this country. Compare productivity in Australia with New Zealand, which went down the AWA route. Compare productivity in the iron ore industry in Western Australia, which has AWAs, with productivity in the coal mining industry in the Bowen Basin—which I have recently come back from—which has collective agreements. Productivity in the coal industry is significantly higher, greater than double that in the iron ore industry.

This legislation does not make the system fairer. Work Choices is an inherently unfair system. It is bad for workers and it is bad for their families. It strips away their rights and entitlements and the time they have to spend with their family, but this legislation is not just about unfairness. This legislation, whatever it attempts to do, does not correct the fundamental flaw. It is an unfair system. It is bad for workers. It is bad for the economy and that is why—(Time expired)

Dr SOUTHCOTT (Boothby) (12.16 pm)—I note that I am speaking after one of the many former ACTU presidents who sit with the Labor Party in this parliament. What that serves to highlight is that the next election will be the most audacious union grab for power we have ever seen, at a time when only 20 per cent of the workforce are members of a trade union. When only 15 per cent of the private sector workforce are members of trade unions, we still see one workplace that is fully unionised—that is, the federal parliamentary Labor Party caucus. It is no obstacle to preferment, to advancement, to elevation if you are a former trade union official. Twenty-six of the 30 Labor frontbenchers are former trade union officials. Actually, after the next election, win or lose, it will be even worse, if you can believe that, because the best Labor seats are being set aside for current trade union officials, for the union bosses. In my state of South Australia, in the seat of Port Adelaide—a Labor seat since Federation—the Secretary of the LHMU, Mark Butler, is to be the Labor candidate at the next election. The other key union official, Don Farrell, the Secretary of the SDA, is to be a candidate for South Australia for the Senate and will replace Linda Kirk, a lawyer, an academic—(Quorum formed)

Labor’s celebrity strategy is a smoke-screen for an audacious union grab for power. The best Labor seats are being set aside for union bosses. They will all be coming into parliament—Greg Combet, Bill Shorten, Richard Marles—to take out insurance on Kevin Rudd, to ensure that what Kevin Rudd does is in the interests of the unions and the union bosses. It has nothing
to do with what is in the best interests of Australia, the economy and the people. I am really worried about the future, that we are going to see a return to the bad old days of union dominance, union thuggery and union interference in businesses.

Only in the last week we have seen a number of cases which highlight the way the union movement and the Labor Party think about these things. We have heard Dean Mighell boasting about the way he has ripped off businesses and Kevin Reynolds bragging about the abolition of the ABCC, a watchdog body which has ensured that the rorts which characterised the construction industry are being stamped out. Worst of all was the way the Labor Party dealt with the Lilac City Motor Inn, a business which had its reputation and its name smeared across Australia. What we see is a double standard whereby a business which has a Labor connection is treated with kid gloves while a business which does not have a Labor connection is smeared. It is typical of the union mindset, the bullyboy tactics and the thuggery which characterise the whole culture of the labour movement.

The problem, as I see it, is that you cannot claim to be an economic conservative and at the same time give the unions what they want. The problem we have is that, with Labor’s IR policy, the Leader of the Opposition left it to the shadow minister for industrial relations to sort out the details on Labor’s IR policy, and she gave the unions what they want. Some day there is going to be a clash between what is in the interests of Australia, what is in the interests of families, what is in the interests of businesses, what is in the interests of jobs and what is in the interests of the trade unions. I cannot see the Leader of the Opposition standing up against trade union interests for the sake of Australia’s economy.

The key to the workplace relations system is in having a much more flexible system. One of the problems with the old accord was that having a centralised system of setting wages was very poor. It was very bad for productivity in Australia. I believe very strongly that it is important to have wages set in the workplaces and to have them set cooperatively between employees and employers. One recent example of this flexibility is the Port Adelaide-Enfield Council. There, a clear majority of staff voted for a five-year collective agreement with annual pay rises of four per cent. This was against what the Australian Services Union wanted. As a staff representative stated with regard to the union, those guys have a different backing. Their backing is from a national point of view and they are against Work Choices. It became apparent that they were not interested in anything else. In other words, the unions will look after themselves but they could not care less about what the employees actually want.

If Labor are elected at the end of the year, those employees would not have had the chance to negotiate with their council a system that benefited them. The council’s human resources manager stated that these workplace changes have allowed for a stable work environment. The title of Labor’s IR policy, Forward with Fairness, is completely misleading. Firstly, it has nothing to do with going forward. Labor policy will send the industrial relations system back 15 years. The days of union power in the workplace and of class warfare finished years ago. This is something that the Labor Party needs to recognise. What we need to do in the current economic climate is to encourage people to succeed in business, applaud people who create jobs and build the economic performance of Australia. Since 1996 we have had AWAs. They have been absolutely critical to the performance of the mining industry, and they have been critical to the growth in the
Australian economy. They have been critical in a number of sectors: restaurants, hospitality and retail. The Labor Party has an outdated view with regard to how businesses work. Every business will see their employees as a resource. What the current workplace system allows for is the flexibility for employers and employees to agree to find an arrangement that suits them.

I welcome the introduction of the fairness test. I think it is an improvement. What it does is to allow for people who are on incomes below $75,000 to ensure that their AWA will not be below the award. The intention was not to have AWAs which were below the award. The intention was to have flexibility so that people can find an arrangement that suits them.

There are a number of problems with Labor’s IR policy. There will be no restrictions on union content in agreements, so they will also have a centralised system allowing for pattern bargaining across entire industries. This will have a devastating effect on inflation, as wage pressures, skills across different economic sectors and interest rates will suffer. This policy flies in the face of the Leader of the Opposition’s claim to be an economic conservative—and I suppose he claims to be a good economic manager. Businesses around the country are deeply concerned about Labor’s industrial relations policy. The Australian building and construction industry, the Master Builders Association and the Mines and Metals Association have all expressed concern over Labor’s policy. Even in today’s Australian there is the headline ‘Firms fear the return of unions’. Business groups are raising concerns that Labor’s industrial policy would allow union involvement in the permanent running of a company’s operation.

Again, today, we see another union boss, Dean Mighell, from the Electrical Trades Union, gloating about ripping off businesses by extracting millions of dollars from them. The unions do not care about workers; they care about themselves. They cannot wait for Labor to win this election so that they can start attacking businesses. If Labor wins the election, the country will be controlled by a union movement that represents only 15 per cent of private sector workers.

There are a lot of troubling aspects of a Labor government. A return to a Labor government will be quite dangerous for the Australian economy. We do not know what they are going to do with secondary boycotts in the Trade Practices Act. This has been part of the reason why for the last 11 years we have had such a low level of industrial disputes. It was absolutely critical to reforming the waterfront that we had the secondary boycott provision in the Trade Practices Act. One thing we do know is that they will abolish the ABCC. This has been very important in cleaning up the rorts in the building and construction industry. This is a $50 billion industry, so the health of the building industry affects us all—it has enormous flow-on effects throughout the economy. Independent economic research undertaken by Econtech in 2003 concluded that if productivity in the construction sector matched that in the more efficient residential building sector the level of gross domestic product would rise by 1.1 per cent, CPI would fall by one per cent and consumers would benefit by $2.3 billion. It was estimated at that time that it was costing around 30 per cent more to build the same project in Melbourne compared with Sydney.

The findings of the Cole Royal Commission into the Building and Construction Industry in 2003 presented a compelling and unassailable case for change. It concluded that the commercial building industry is one that is characterised by lawlessness, standover tactics and shonky corporate practices. It found that conduct of this kind,
which would be unacceptable and even criminal in any other industry, is regularly tolerated because honest participants feel powerless to do anything about it. *(Quorum formed)* If Labor are elected what we will see is the abolition of AWAs. We will see a winding back of the reforms of the last 15 years and we will see a return to the bad old days of strikes, disputatation, union domination, union interference in businesses and union thuggery.

The problem we face is the fundamental conflict between what is good for Australia and what is good for the union movement. Anyone would recognise that there will be times when these two come into conflict. The problem is that the union movement, which controls the Labor Party, has taken out insurance by stacking the parliament full of former trade union bosses. What we see is that 26 out of 30 of the Labor frontbench are former union bosses. And it is actually going to get worse at the next election, because the best seats have been set aside for the most powerful union bosses to come in, to take out insurance to ensure that the Labor leader does what is in the interests of the unions—not so much what is in the interests of employees, not so much what is fair for families, not so much what is in the interests of Australia.

There are a lot of very disturbing signs about how dangerous the Labor Party would be if they were elected to office. We have seen that they would abolish the ABCC. We have seen that their IR policy has not even made any attempt to be fair; all it has done is give the unions what they want. We do not know what they would do on secondary boycotts. It looks like we are going to face compulsory union bargaining: ‘good faith bargaining’ will be compulsory union bargaining.

As I conclude my remarks I welcome a former official of the FSU—another one of the 26 out of 30 former union bosses, former union officials, who are on the Labor frontbench.

**The DEPUTY SPEAKER (Hon. BK Bishop)**—Before I call the honourable member for Prospect I remind the opposition that the Deputy Speaker has ruled that the chair will only acknowledge a quorum call at intervals that exceed 15 minutes, as they otherwise constitute a deliberate disruption of the parliament. I recognise that we are now calling an opposition member, so there will be no likely quorum called, but I remind opposition members that in the case of government members that rule will be enforced.

**Mr BOWEN** (Prospect) (12.37 pm)—I thank the honourable member for Boothby for his welcome to the dispatch box and for the promotion that he bestowed upon me. The Workplace Relations Amendment (A Stronger Safety Net) Bill 2007 purports to create a test that will ensure that certain working conditions are protected by law. These are the same conditions that the government told us were protected by law, with taxpayers’ money, not so long ago. These are the same conditions for which the government spent $55 million of taxpayers’ money on advertisements saying that these conditions were protected by law. Of course, they were wrong: they were not protected by law then. The advertisements were wrong and the government by introducing this legislation has acknowledged as much.

Now they are spending more taxpayers’ dollars in telling us that, this time, they are protected by law: ‘Sorry about that, we got it wrong last time. We told you they were protected by law, a slight mistake, but this time we’ve got it right.’ Now we are seeing even more taxpayers’ money being spent on these advertisements telling us that, this time, they
are protected by law. This reminds me somewhat of that great novel Nineteen Eighty-Four: there was a mistake and, all of a sudden: ‘We’re at war with the wrong country and we apologise for that. We are no longer at war with Eurasia; we’re now at war with east Asia.’ This government has adopted an Orwellian method of communication, spending $55 million of taxpayers’ money not so long ago to say that conditions were protected by law and now reverting to the position that those conditions are not in fact protected by law but that now they will be.

The government raced out advertisements, claiming that it was important that people know their working rights, before this legislation had even been drafted. One need only look at the time line to see what is driving these changes. On 3 April, the Ministerial Committee on Government Communications approved Open Mind Research Group to undertake market research on workplace relations, and on 24 April a draft report was received by the government from that company. It was not until 4 May that the government announced changes to the operation of Work Choices, and it was not until that day that the first set of instructions were sent to the parliamentary counsel. But on the next two days, 5 and 6 May, advertising commenced on these changes. On 7 May the changes came into operation, although it was not until today that these changes began to be debated in this House. This is not a change driven by policy; this is a change driven by spin and by desperation in an election year.

The money being spent on these advertisements, combined with the money spent on the previous round of Work Choices advertisements, the advertisements that had the stamp ‘Protected by law’ on them, together with the expenditure for more workplace inspectors, brings the cost of the Work Choices legislation to $1 billion of taxpayers’ money. It did not cost that much to introduce the workplace relations reforms that the government brought in in 1996—I think that cost well under $20 million. It certainly did not cost that much for the Keating government to introduce its enterprise bargaining reforms in 1994. I doubt whether that cost even $10 million. But these reforms and the associated government spin have cost taxpayers $1 billion. I wonder whether the Australian people have a view on how that money could have been better spent. I am sure they do.

But what credibility do the government have when they say in this chamber and in the media that these changes will make workers better off? The Prime Minister was asked when he first introduced Work Choices—the love that dare not speak its name. I am not sure that we have heard the term ‘Work Choices’ used by members opposite, but I am sure it has been used by members on this side of the House because, after all, it is the name of the bill, the Work Choices amendment bill that the government introduced last year. When he was asked about these changes and whether he could guarantee that nobody would be worse off, the Prime Minister said:

My guarantee is my record ...

He was right, and his record was not good enough. Today, we see the government introducing legislation in an attempt to guarantee that no worker will be worse off, because the Prime Minister’s record was simply not good enough. The Prime Minister was asked specifically whether the abolition of the no disadvantage test in the last round of reforms would mean that workers would be worse off. He said:

Oh, no, that’s not right. The no disadvantage test was working in its complexity to prevent the making of workplace agreements. The goal of getting rid of the no disadvantage test is not to hurt people, it is to make it easier for workers and their employers to enter workplace agreements.
That's the whole purpose of the no disadvantage test. To argue... This change. To argue that would be absurd.

It was not absurd, and the government is acknowledging as much today by introducing this legislation. The Labor Party warned that the abolition of the no disadvantage test would leave workers worse off. The government told us that we were being ‘absurd’. The government told us that we were being scaremongers. The government told us that we were wrong. But, today, the government walks in and says, ‘Actually, you were right.’ It is not me saying that. I was drawn to some comments by the Minister for Employment and Workplace Relations, who, when he was asked whether the previous legislation had made mistakes, said:

I wasn’t the Minister for Employment and Workplace Relations in the past—

whenever a minister says that, you know there is a flick pass coming—

but if you’re saying to me that we got it wrong in the past, well we did.

He further said:

We got it wrong.

… … … …

We underestimated what would have happened if we put in place a system that may lead to people trading away penalty rates without fair compensation.

… … … …

We are now putting in place a stronger safety net. We are ensuring that people get more, not less, insofar as the law can.

So the minister has acknowledged that the Labor Party were right when we said that the abolition of the no disadvantage test would in fact disadvantage workers.

I noticed when watching the parliament this morning that the former Minister for Employment and Workplace Relations, the member for Menzies, got to his feet to speak on the guillotine—remember him? It is easy to think that maybe he is not involved anymore. Clearly, the Crosby Textor polling is showing that he is not a popular figure for the government, because you rarely hear from him these days. But he got to his feet this morning and defended the guillotine motion. He said that these changes are finetuning to fix unintended consequences. It is more than unintended consequences. The Labor Party warned that workers would be disadvantaged if you abolished the no disadvantage test, yet today the government comes in and says, ‘We’re fixing unintended consequences,’ acting a few months before an election in a desperate move to regain the public relations battle. This is from a government that told us the conditions were protected by law.

The Minister for Employment and Workplace Relations is right about one thing: they did get it wrong. We saw this in the figures released in 2006—the most up-to-date figures available because the government has refused to release any more figures on Australian workplace agreements. They have refused to be open and transparent and to let the Australian people make a judgement about the effect of Australian workplace agreements. But we saw 63 per cent of Australian workplace agreements abolishing penalty rates; 52 per cent removing shiftwork loadings; 22 per cent not providing for an increase over the life of the agreement; and 100 per cent of AWAs excluding at least one so-called protected award condition. One hundred per cent of Australian workplace agreements abolished one condition which the government spent $55 million of the money of the Australian people telling them was protected by law. All they were protected by was spin. Now the government is attempting to say—painting the ruse—that they are protected by law.

We have seen examples of Australian workplace agreements that have abolished
conditions and allowed for unfair compensation in return—companies which were simply complying with the law; companies which were simply and understandably maximising their chances under the extreme laws introduced by this government. We have heard the argument—we have heard it from the Prime Minister, the Treasurer and the Minister for Employment and Workplace Relations—that these changes work because we are in good economic times, that unemployment is low, that it is an employees' market and employees can name their price in a strong bargaining position. In some cases there may be some truth to that. In some cases, in some segments of the workforce in some regions of the country, workers may be in a stronger bargaining position than they might be in other economic circumstances, but it is not across the board.

I was speaking the other day to an employee from Western Australia who was on an Australian workplace agreement. I asked them whether they felt they were in a good bargaining position or whether they just took the offer on the table, a take-it-or-leave-it basis. They made it very clear to me that it was made clear to them that the offer was on a take-it-or-leave-it basis and there were plenty of other people willing to do their job. That was in Western Australia, the tightest labour market in this country.

The government claims that, because of good economic times, employees are in a strong bargaining position. Some are; many are not. Even in segments of our economy which are doing very well, employees do not feel necessarily that they are in a good bargaining position. Putting that aside, you do not develop an industrial relations framework which will last indefinitely based on the economic conditions that are in place at one particular point in time. The economy will inevitably turn down through any set of circumstances—a downturn in our terms of trade or a downturn in the world economy. The scenario put by the government is that in good economic times and times of low unemployment, employees are in a good bargaining position. Therefore, by definition, when the economic times are not so good and when employment conditions do turn down, employees are going to be in a much worse bargaining position, and the same framework will be place. The same framework which this government says allows Australian workers to bargain from a position of strength will be in place when Australian workers are not bargaining from a position of strength. When all the cards in any negotiations are completely on the other side of the table, that is not fair. We need an industrial relations system with balance, fairness and flexibility, but the balance and fairness in this industrial relations system falls well short of that test. These changes fall well short of that test as well.

Let us look at the detail of some of these changes—something that members opposite have been reluctant to do because it is not in the Crosby Textor manual. The Crosby Textor manual says you only talk about union bosses; you do not talk about substance. Let us have a look at the substance of these changes. The Minister for Employment and Workplace Relations says that they will operate in a similar fashion to the old no disadvantage test, which this government abolished. He is not quite right. As you would recall, Mr Deputy Speaker, the no disadvantage test was imposed on this government by this party and the Democrats in the other place. The government did not want to do it in the first place but, in order to get their original workplace relations changes through in 1996, the Senate imposed a no disadvantage test, which this government reluctantly accepted. The no disadvantage test prescribed that an AWA must, when compared to the underpinning award, leave the em-
ployee no worse off. This test is quite different.

In fairness, the changes do provide that an employee needs to receive fair compensation for the exclusion of certain award matters: rest breaks, incentive based payments, bonuses, shiftwork loadings, allowances et cetera. There is no protection for other award conditions such as redundancy pay, rostering protections or long service leave. They can be traded away with no fair compensation. Award conditions that are over the norm and more than what is normally the case—for example, extra leave provisions for flight attendants and childcare workers and, indeed, teachers—have no protection. The Workplace Authority Director will not be required to follow precedent, give reasons for a decision or establish published guidelines for reaching his decisions. There will be no right of an appeal.

What we see is something quite different from the no disadvantage test, despite the rhetoric and spin—taxpayer funded—from the government. We see something very different from the no disadvantage test, and we see a number of caveats and conditions in the operation of these changes to Work Choices. We see that family circumstances and exceptional circumstances of the business can be taken into account. That is not necessarily something I object to, but it is not prescribed as to how that would operate. There is no definition of ‘exceptional circumstances’. There is no definition of ‘family circumstances’. There is no mechanism to explore whether the director of the Workplace Authority needs to talk to the individual about family circumstances or whether the director must simply accept the word of the employer about the employee’s family circumstances.

There are holes in these changes to the Work Choices legislation, but, having said that, any measure that might improve the fairness of these extreme Work Choices laws needs to be supported. It would not be hard to improve the fairness of these laws. It is not a difficult ask. We are not sure whether these changes will, at the end of the day, achieve any improved fairness, but we acknowledge that they might. We acknowledge that there might be some workers who are protected by these changes. Therefore, it is incumbent on us to support them. And we are certainly sure that we cannot see a way that these changes can make the legislation less fair. We cannot see any adverse impacts from these changes to this legislation. Therefore, we are prepared to support them.

The government think, in their desperate PR battle at five minutes to midnight, that they can neutralise this issue and say: ‘The difference between the Labor Party and the Liberal Party in industrial relations is not as much as it once was because we have introduced a fairness test. We have ensured that Australian workplace agreements must be based on fairness.’ This is incorrect. What they have done is to introduce a PR test, a test designed, with the help of taxpayer funded advertisements, to get them through to October or November.

Considering that this government did not have a mandate for these changes at the last election, considering that this government did not say anything about Work Choices at the last election, considering that they did not say anything about their changes to AWAs, considering that they did not seek a mandate on which to base these extreme industrial relations changes, considering that they did not come clean with the Australian people before the last election, it is anybody’s guess how long these changes to Work Choices would last after the next federal election should the current government be returned.
This government has form. The Prime Minister has a 30-year project to introduce these extreme industrial relations laws. As I have said in this House in the past, in the 1970s he had a point but the world has moved on and it is time for the government to drop its extreme ideological agenda and to introduce real fairness into the workplace relations system. If it does not, it may fall to a Rudd Labor government to do so later this year.

Mr FAWCETT (Wakefield) (12.55 pm)—As I rise to support the Workplace Relations Amendment (A Stronger Safety Net) Bill 2007, I also want to draw to the attention of the House the fact that the opposition have only two members here to speak to this legislation. That is how much importance they place on it. The government has given them the courtesy of speaking without being interrupted throughout their speeches. In contrast, this morning has been absolutely racked by the opposition preventing the government from being able to speak to this bill without being interrupted. I think almost every speaker has been interrupted by the opposition. I just draw the attention of the House to the fact that in a democracy we should be able to speak about the issues and debate the ideas without resorting to those sorts of tactics and interruptions.

I want to speak about why this bill is being brought forward, about what the bill covers and about who will benefit from it. Predominantly, this bill has been brought forward because of the conflict of ideas being played out in Australia as we speak—in the media, in workplaces, in people’s homes and in community groups. What we are seeing is that we have one group who are assuming that everything is bad and that we need to restrict the majority of Australians and, in so doing, penalise the flexibility of workers, their families and employers to make arrangements that will suit them, that will enable the Australian economy and the Australian community to continue to develop, just because a few employers and employees do the wrong thing.

Contrast that with the approach of the government that says: ‘We trust and want to reward individuals for good behaviour and for good work, because in the vast majority of cases people do work together constructively. We want to put in place a framework that gives them the freedom to do that and to obtain the maximum benefit for families, for workers and for the businesses that at the end of the day provide the jobs that keep our economy going and that enable us to pay for the services and things that we wish to see—investments in education, infrastructure and defence.’

This battle of ideas has led to TV campaigns very much drawing on the fears that people have. It is interesting to note that in July last year the Daily Telegraph was the first of the media to come out and really highlight the fact that all of the ads that the ACTU had run had been discredited. So here we have an organisation—the ACTU—that has an Australia-wide reach, that has the potential all around Australia to find real cases of people who have been disadvantaged by the government’s changes to industrial relations laws, and the ones they chose to put on national television have all been discredited.

Time and again in this parliament the opposition have brought up cases in an attempt to show that people have been disadvantaged. I look particularly at one last year where workers at a Lufthansa subsidiary were offered the choice of an AWA or an existing collective agreement. But what was presented to the House and to the Australian public was that these people were being forced onto an agreement that was going to cut their conditions. What was not revealed to the House was that they had a choice.
What was not revealed to the House was that there was up to a 16 per cent increase under a bonus scheme and that those workers stood to have around a 13 per cent increase in their take-home pay.

Just in case you happen to think that bonuses are not very fair, an analogous example is an agreement that the CFMEU put in place for Dunlop Bedding only the year before that. So we are seeing being presented to the Australian public a large degree of misinformation. That has caused a lot of fear. The most recent ads that have been flying around, which talk about percentages and statistics of agreements that do not include things like overtime, are the latest example of this. They show that side of agreement but they do not talk about the side of the agreement that helps people balance work and family. In my own electorate of Wakefield I am aware of people who have decided that they would rather have more flexibility in their work hours during the week so that they can meet obligations for either elderly parents or children, who they need to drop off and pick up from school and sport, and in return they will work on a weekend for normal-time pay. That arrangement enables them to balance work and family and to be in the workforce whereas under a strict award situation, where they are expected to work normal time or on the weekend for penalty rates, they would not be able to meet those obligations and so they would not be able to be back in the workforce. For those people, that is an advantage that helps them to be in the workforce, and a benefit to their family and to the broader society but that balance is not brought out in the ads.

Having said all that, the ads have been effective. The perception and the fear is out there and that is why government has acted to bring in another part of the framework to directly address that fear rather than have people say, ‘The ad says, “What about my 17-year-old?”’. The reality that people are not listening to is that the 17-year-old is protected by the fact that he has to have an adult, his parent or guardian, to sign his workplace agreement, which never existed under the previous system, so there are more protections for them. People talk about low paid or unskilled workers not being able to negotiate or bargain. What they do not acknowledge is the fact that you can have the union bargain on your behalf if you wish to. People talk about the fact that it is take it or leave it but do not acknowledge the fact that under the old system, if the workplace had an award or an EBA, that was take it or leave it. You turned up, took what you were given and had no opportunity to bargain or discuss terms and conditions with your employer.

So what this change is looking to do is to say: ‘We hear that concern. We acknowledge that concern is out there.’ We still maintain that, as we look at this battle of ideas, we are better off to say that we will put in place a framework that frees up people to maximise opportunities for employees, employers and their families. For those who work against that, who disadvantage people, we will penalise them but we will set the vast majority free to get on with their lives and we will encourage and reward that behaviour as opposed to adopting the approach of restricting everybody, just to make sure that the few do not abuse the system.

A quorum having been called and the bells having been rung—

The DEPUTY SPEAKER (Mr Hatton)—For the benefit of the member for Wakefield who made some comments about this at the start, page 268 of House of Representatives Practice says there are two general principles that are operative here in relation to a quorum. First:
it is not the duty of the Chair to count the House until attention has been drawn by a Member to the state of the House—

Thankfully; otherwise no-one would ever get heard in the place. Second:

when attention is drawn, the Chair is obliged to make a count or have a count made.

Mr McArthur interjecting—

The DEPUTY SPEAKER—The member for Corangamite will not reflect upon the Chair. The Chair is simply carrying out his duties, as is required by this House.

Mr FAWCETT—Thank you, Mr Deputy Speaker. I recognise your remarks about you carrying out your duties in accordance with the procedures and I appreciate that. My comments are directed mainly to members of the opposition who are hypocritical in their application of this order because they never call a quorum upon their own speakers when there are only one or two addressing the same topic. My constituents have voted for me to come here, to represent them and to be their voice in this parliament. The actions of the opposition are to essentially hold a stop-work meeting, which is stopping the process of democracy so that we cannot have a fair and informed debate about something that impacts on the lives of all Australians.

Ms Hall interjecting—

Mr FAWCETT—Even now, as I am speaking, the opposition are interjecting and trying to cut off the opportunity for this debate. I will use the words ‘work choices’ because Work Choices is legislation that this government brought in to benefit Australian families, Australian workers and the Australian economy. It is disappointing that, despite the many benefits of these changes, there has been such a negative fear campaign focused on only one or two elements of them. What people do not recognise through these fear campaigns is the broad structural changes that have given us a national system of industrial relations. It is a system that has given us choice. Unlike the Labor Party, this legislation actually provides for freedom of association. It offers a choice of AWAs, union collective agreements, non-union collective agreements, union greenfields agreements or employer greenfields agreements. It enables unions to be parties to collective agreements. It enables union officials to be bargaining agents for employees. It maintains the rights of union officials to enter workplaces and it maintains the rights for unions to take lawful industrial action. I have to tell you, not all of those choices and not all of those rights exist under what is being proposed by the opposition.

Some of the commentary that is appearing in the media now highlights that the broad structural changes and the details about even these areas in question are benefiting Australian society in terms of the number of jobs created and the number of long-term unemployed who are now able to move into the workplace. That is because employers, for the first time in a long time, have the confidence to say, ‘We’ll give this person a shot, we’ll give them a chance at a job, because if it doesn’t work out that we can make other arrangements,’ as opposed to leaving that person in the long-term unemployment queue for even longer.

So what is this fairness test? The fairness test is a structure that we are putting in place basically to reassure people that the vast majority of employers are doing the right thing. It means that there will be an independent umpire who reviews workplace agreements to make sure that employees receive fair compensation whenever that agreement removes or modifies protected award conditions, such as penalty rates or overtime loadings—which have been the focus of much of the fear campaign that has been put out there. The starting point would generally be monetary compensation, and that would equate to
things like the agreement I spoke about earlier, at the subsidiary of Lufthansa, which put in place a bonus scheme where, under the AWA, people in fact had the potential to earn significantly more money than they did under their collective agreement.

But it is not necessarily just monetary things that people are looking for. I alluded before to the example of those people of Wakefield who I know have been happy to say, ‘I’ll work under conditions that don’t have overtime payments, on a weekend, because that gives me flexibility during the week.’ If they are happy to sign up for something like that and say to the independent umpire, ‘Yes, if the flexibility means being able to balance my work and family life, being able to pick up my children from school or sport or to care for my elderly relatives, I’m happy to work on a weekend with no overtime,’ then that is an agreement that they should be able to make with their employer without a third party coming in and saying that that is unfair. The Workplace Authority will be able to conduct the fairness test and say, ‘This has been offered, you’ve accepted, and we recognise that that is fair,’ even though the monetary advantage is not there.

The fairness test will cover employees with a base salary of under $75,000 on an Australian workplace agreement and it will cover all collective agreements. This also gives some certainty to people who come in to work for the larger chain stores, for example. People often talk about the fast food industry, concerned about what might be offered to young people. Because the agreements will have to be certified as fair, there is higher degree of certainty that what will be offered to a young person is not going to disadvantage them.

This fairness test is really the government saying that what we have put in place has provided advantage to the whole Australian economy—more jobs, more people in work. We recognise and we hear that there is concern in the community because of the fear campaign that has been put out there. So this test is us responding to that in an appropriate way—not to limit freedom, not to limit the endeavours of small businesses who have often gone out on a limb and invested their own time and money to create the opportunity for other people to work. We are addressing this fear and concern by putting in place a framework that guarantees these conditions so that we will get the benefits that were the intent and, in practice, the outcomes of the Work Choices legislation. We are putting in place a framework to address the fear that has arisen in much of the Australian public because of the very misleading campaign that has been run by the ACTU and the Labor Party.

That brings me to my last point, on choice. Who do the Australian people want to choose to be speaking here? Who do they want to choose to run the country in the future? A government that is prepared to take the hard decisions that have made a significant difference. For example, GST—that was a significant decision, a significant change in the way that Australia collected revenue, and it was criticised by members opposite who said it was a day that would go down in history as being the undoing of modern Australian society. Yet now there is not a state government in this country that would seek to reverse the GST system because of the significant growth and revenue base it has given them to deliver things like health care, education and policing under the state system. So, despite the criticisms that this government has received, it has been prepared to take those hard decisions.

This industrial relations decision recognises the fact that, in the private sector workforce, some 85 per cent of people are not members of a union. They have recognised
in practice that they can negotiate with their employer, they can be an independent contractor and the majority of employers are looking to do the right thing, particularly with the ageing of the population, as we face a shortage of not only skilled workers but even unskilled workers. In the area of Virginia and in the manufacturing areas of Elizabeth and Salisbury in South Australia, I am speaking to employers who are looking for more workers. I passed a packing shed the other day in Virginia and they had a sign out the front saying: ‘Stop! Workers required.’ Now, these employers are going to do the right thing by their workers because they need them. If you are a market gardener, you cannot actually plant a crop if you do not know whether you will have workers to harvest the crop, particularly crops that are time sensitive; for example, some of the organically certified crops are very time sensitive for harvesting. So those employers will do the right thing by their employees.

So this government is seeking to empower the majority of Australian people, who are fair and decent people, both employers and employees, to get on with running their businesses and growing the wealth of this nation which enables us to fund the health and education systems we have as well as balance work and family. We are not seeking to impose the view of a very small group—and I note again that union membership in the private sector is only 15 per cent, yet they dominate the Australian Labor Party. Later this year, if the Australian public choose the Australian Labor Party to govern this country, they are in essence going to be choosing the union movement to govern this country again, with all of the thuggery that goes along with that, with the restriction of choice and the lack of freedoms that have extended well into our history and that have caused some of the worst disputation and loss of productivity we have seen. I support this bill and I commend it to the House.

Mr ALBANESE (Grayndler) (1.15 pm)—Australians are not afraid of hard work. They are not afraid to put in the hard yards to get ahead. Generally speaking, Australians will do what it takes. They are amongst the hardest working individuals in the world. By their nature, Aussies are also a flexible lot, ready to roll up their sleeves and get on with it. But they also have a good sense of what is fair. Built into the Australian psyche is the notion of a fair day’s pay for a fair day’s work. When women and men choose to work longer hours on weekdays and decide to give up their weekends, they deserve to receive overtime and penalty rates to help pay a bit extra off the mortgage, pay for the kids to be involved in sport and simply have a bit more peace of mind. It is because Australians know what is fair that they can instantly recognise a political quick fix when they see it, especially when it comes from the Howard government wrapped in television and newspaper ads, and badged with the words ‘fairness test’. They know that this is the same government that rode roughshod over their working rights and conditions earlier in the election cycle that is now proposing this so-called test—just months after they were out there proclaiming that these conditions would be guaranteed by law, and now we have a political quick fix just months before an election.

I listened to the Minister for Employment and Workplace Relations, Joe Hockey, this morning on radio talking about how in the past Australians who signed on to AWAs were worse off—they gave up their conditions without getting proper recompense for them—but now it would be different. The problem with that is that the government, when it passed its Work Choices legislation, said that this would not occur, and it has. Make no mistake: no amount of rebadging,
no amount of advertising and no amount of amending the legislation formerly known as Work Choices will restore the balance in our workplaces. This Workplace Relations Amendment (A Stronger Safety Net) Bill 2007 is all about the job of the Prime Minister rather than the jobs of working Australians.

The Labor Party remain totally opposed to the Prime Minister’s unfair Work Choices laws because we are a party created by working people and built on their determination and steadfast belief in the fair go. We remain opposed to laws that were born when the ideology of a single man started to dictate the shape of the nation, when a Senate majority of one provided a temptation so great that the Prime Minister abused the trust Australians placed in him when they returned his government in 2004, when unfettered control of both houses of parliament became an attack on the values of Australian society. It is a government so driven by ideology that it did not hesitate to make draconian changes to the Australian industrial relations system despite never having sought a mandate from the Australian people to do so. For the same reasons, Australians were forced to endure draconian changes to the welfare system, the gagging of important debates like that on the antiterrorism bills, inquiries on important legislative items done and dusted in a matter of days and sometimes hours, the ideological abolition of voluntary student unionism and, indeed, the gagging of this very debate before the parliament today.

How can anyone forget the comments of a government so drunk on power that the chairman of the Senate Economics Legislation Committee, Senator Brandis, in August 2005 was reported telling his coalition colleagues that the idea of an inquiry into the Work Choices legislation was ‘stupid’ and that:

There’s nothing in this for us ... Senate inquiries are a free kick for the Labor Party, the media never run anything except things that are embarrassing for the Government and it won’t have any public purpose because the detail will be in the legislation for all to see anyway.

For his efforts, for trashing democracy, the Prime Minister saw it fit to reward Senator Brandis with a promotion to the ministry.

These unfair industrial relations laws are driven by a man who has lost touch with the Australian people and what they value: the right to a fair go regardless of what you do for a living, where you live and how much you earn. The changes inflicted on Australian workplaces have turned worker against worker and undermined the security of family life. Salaries have been cut, conditions scrapped, entitlements slashed and minimum standards attacked. The Howard government have gone too far. Rather than governing for all of us, they govern for some of their friends. The Prime Minister said he would keep interest rates low, but we know rates have gone up eight times. He said he would get the economy right, but now he is squandering the opportunities offered by the unprecedented resources boom. He said he would protect us from terror, but instead he has taken Australian troops to war in Iraq and made all Australians feel less safe. He said the Senate majority would not go to his head, but, of course, we know he has gone too far. But there are some things he never said anything about: nothing about his plans to slash wages and smash awards; nothing about scrapping penalty rates, overtime and redundancy pay; nothing about scrapping public holidays like Anzac Day; and nothing about giving bosses the right to sack workers whenever they like.

Australians know what is fair when they see it and they know that these amendments to Work Choices will not stop the unfair industrial relations laws continuing to hurt
working families. This is because these changes are not motivated by the national interest. These changes are purely motivated by the political interests of the Howard government. The Prime Minister admitted that his hasty Work Choices amendments have been made because of perception and said:

There is this perception in the community that there might be situations where people are vulnerable to having their penalty rates and overtime loadings traded away or taken away without adequate compensation.

Now I don’t want that to happen ...

It is too late; it has already happened.

The Work Choices legislation is no perception. Just ask the workers at Spotlight or the long-serving Tristar workers in my electorate who have been cheated out of their entitlements because of the Howard government’s extreme industrial relations laws. These Australians have worked hard to contribute to community life and the economy. They have been thrown on the scrapheap. What they have to do is turn up to work each and every day and clock on when there is no work to do. Why is that occurring? So that when they are laid off they will reduce their redundancy payments. These Tristar workers came to this parliament last year. I asked questions in the parliament last year. They were prepared to meet the government, the Prime Minister, the then Minister for Employment and Workplace Relations, Kevin Andrews, or anyone else from the government. The government ignored their plight. The government sat on their hands. That is not perception; that is the reality. For the government, the employees’ plight became an issue only when Alan Jones and others in the media took an interest. This spurred the government to call the actions of the company immoral and criminal, but it did not drive them to action and to make changes to the Work Choices laws. They sat on their hands for months while Tristar workers were being treated so unfairly day after day.

It is clear the Howard government is not interested in the plight of Australian workers; it is just interested in being re-elected. It has already spent, in a week, $4.1 million of taxpayers’ money on industrial relations advertising in an attempt to achieve that goal. That was, of course, advertising before the legislation was actually introduced into this chamber—contempt for this parliament and for proper legislative processes. That was on top of the $55 million advertising campaign in 2005 to tell hardworking Australians that their award conditions would be protected by law. Of course, we know that that protection is not there. We know because the government itself says it is not there but proclaims that this legislation will fix the problem that it said was never there in the first place. So why should Australian workers trust the government? We could have done a fair bit in employing extra doctors and nurses or putting more money into education and housing with that $60 million, but it is a self-indulgent government that is prepared to spend an unlimited amount of taxpayer funds in order to secure its own political interests.

I would like to turn to the gaping holes in the Work Choices amendments before us. Firstly, there is the argument that there is fair compensation for loss of protected award conditions. The proposed amendment states that, if a workplace agreement modifies or excludes any of the listed protected award conditions, the agreement must provide fair compensation for the loss of the protected award. This raises a number of concerns. Firstly, there does not appear to be any compensation provided for loss of award conditions not subject to the so-called fairness test. These include conditions such as additional leave for certain industries, redundancy pay and rostering protections. Given that the Howard government’s own statistics on
AWAs show that 100 per cent of all agreements took away at least one protected award condition, and recently leaked figures show that workers have lost all 11 so-called protected award conditions in 44 per cent of AWAs signed since Work Choices was introduced, it is likely that many employees will still be worse off under an AWA than under an award, despite the government’s proposed amendments.

Secondly, it is unclear what ‘fair compensation’ constitutes and how it might be calculated by the Workplace Authority. This is particularly concerning because the government has always argued there is no methodology that enables proper comparison of the circumstances before and after an AWA. In fact, on 26 March this year, the Minister for Employment and Workplace Relations stood at the dispatch box opposite. The Deputy Opposition Leader, Julia Gillard, had asked:

Will the minister give the Australian people one reason—just one reason—why his government will not direct the Office of the Employment Advocate to recommence the analysis of Australian workplace agreements and to publicly release it?

The minister, Joe Hockey, replied:

Because, with the introduction of AWAs and the changes made under our laws a year ago, no-one has shown me a formula that allows you to compare apples with apples.

So, what does ‘fair compensation’ exactly constitute? The Minister for Employment and Workplace Relations outlined in his second reading speech that ‘a slice of pizza will not constitute non-monetary compensation’. We are grateful for that clarification, but what about an occasional fancy dinner, some frequent flyer points, a discount on grocery items for someone who works in a supermarket or a weekly tank of petrol? I am sure that further clarification would be appreciated not just by workers but also by employers across Australia.

The second argument is that these amendments to the Work Choices legislation are about the issue of consultation with employees. Let us presume for a moment that the Workplace Authority does find a way to calculate the value of lost award conditions. The proposed legislation remains unclear as to whether the Workplace Authority will even consult with the employee to ascertain whether he or she considers the compensation to be a genuine benefit. Also, the legislation appears to make no provision for the employee to appeal the decision if he or she considers it to be insufficient compensation. It seems to me that, despite the government’s rhetoric that the Workplace Authority will consider the ‘industry, location and economic circumstances of the business and the specific employment circumstances or opportunities of the employee’, the fairness test provides an escape route for employers who undercompensate rather than a protection mechanism for employees incurring the loss. It is not surprising really. The Howard government would never have introduced their extreme industrial relations laws if they had the needs of working Australians in mind.

Labor will move amendments in the consideration in detail debate later this afternoon. If the Howard government is genuinely concerned about compensating all workers for the loss of award conditions, it will support our amendments. But let us be clear: Labor remain totally opposed to the Prime Minister’s extreme Work Choices laws. There is nothing in the proposed amendments before us that will stop Labor abolishing Work Choices. They are not about introducing flexibility or fairness into the industrial relations system. They are all about clever politics. Australian employers and employees were expected to comply with changes to the Work Choices legislation from Monday, 7 May, even though the legislation had not been written, let alone re-
leased. To add insult to injury, taxpayers’ money was used to advertise the new laws that had not seen the light of day. This is clever and cunning politics before sound policy, and public relations before parliamentary process.

It is clear that the proposed changes to the Work Choices legislation will not fix the lack of balance in Australian workplaces. They will not change the fact that the Prime Minister has lost touch with the needs of working Australians and with the challenges they face when juggling work, family and sudden roster changes. Labor supports the amendment in the hope that it may benefit even one working Australian. But, in government, Australians can rest assured that we will do things differently. Labor supports a real safety net: legislated minimum conditions and modern, simplified awards. We support enterprise level bargaining to drive productivity. Labor introduced enterprise bargaining. Labor supports individual common-law agreements which cannot undercut the safety net. We will ensure that, when minimum wage cases are handed down, pay rates are published to assist employers.

Labor’s system will be overseen by a new, one-stop shop industrial umpire. We will be tough on unlawful industrial action. Above all, Labor’s policy will be fair, balanced and productive. The Prime Minister may be a clever politician, but hardworking Australian families can see that the only job the Prime Minister is worried about is his own.

It is quite extraordinary that the government, which says that this legislation is so important, which has spent so much of taxpayers’ funds on advertising this campaign, which is truncating debate in this House by moving a gag motion, can only find eight members of parliament who are prepared to speak on this legislation. There is not a single frontbencher, besides the minister, who is prepared to put their name on the speakers list to speak on this legislation. It is extraordinary that the government is too embarrassed to actually stand up and support this legislation which, it says, is critical. This is all about the Prime Minister’s past ideological obsessions. It has nothing to do with securing Australia’s future prosperity.

Mr BARRESI (Deakin) (1.33 pm)—I was not sure where the member for Grayndler was going with his speech on the Workplace Relations Amendment (A Stronger Safety Net) Bill 2007. He was going through all the ills and sins of the fairness test amendment the government is introducing today. I thought he may surprise me by saying he is going to vote against it. Right at the end, after spending most of the time allocated to him decrying these changes and the need for them, he came out and said he will support it. I thank the member for Grayndler for clarifying the total confusion but, of course, that is typical of the Australian Labor Party. There is constant confusion about the Labor Party’s position on industrial relations. We have yet to see from those opposite a policy that lasts longer than a week or so. Labor’s dangerous industrial relations policies are a real threat to jobs, to wages growth and to the nation’s ongoing economic security. We have a dangerous industrial relations policy as a result of their movement, which is all over the place, on this policy area. Of course, they are waiting each time to ensure they get the tick off from the union movement outside this place.

I rise today to speak on this important reform of the workplace relations system, particularly the introduction of the stronger safety net. The fairness test, which is at the heart of this bill, strikes a real balance between the needs of a flexible labour market system that responds to the competitive forces in our economy and the needs of individuals for personal security when they enter
into the negotiation process. I have spoken in the past about the importance of building a modern and flexible industrial relations system. This is vital to ensuring our nation’s long-term prosperity. I know that members on the other side have made the same statement. There is a bit of commonality around that statement, but we differ of course on the approach for how to get there. We certainly believe that, in building such a system, it is important that a strong, responsible safety net is in place to further strengthen the negotiation process between working Australians and their employers.

The Australian economy is going through a period of unprecedented growth and expansion and the reforms of the past 10 years have meant that more Australians than ever before have jobs—and, most importantly, have higher wages. But we cannot rest on our laurels. Labour market reform is vital to ensuring that we lock in this prosperity for the long term. Since the first workplace reforms were introduced in 1996, real wages have grown by 19.8 per cent according to the Australian Bureau of Statistics. Furthermore, since March 2006, which is only about 15 months ago, when Work Choices came in, more than 300,000 new jobs have been created, with wages growth continuing at around 4.1 per cent for those in the workforce. The need for this legislation has already been spoken about by the minister and the Prime Minister.

I would like to pay tribute for a few minutes to the Minister for Employment and Workplace Relations, the Hon. Joe Hockey. The minister has shown a great deal of competence, understanding and, more importantly, a willingness to engage with businesses and employees around the country. I have accompanied him on some of his visits—not on all of them, but on some. This visitation program has been pivotal. During these visits we heard from employees and employers. We heard of employees moving from casual to full-time employment because of the ability to go into a flexible workplace arrangement with their employers. Thanks to these visits, we are now seeing changes taking place as a result of the minister listening to what has been said. I would like to thank him as well for his visit to Victoria, and particularly his visit out to Deakin just prior to these changes being announced. That visit, in particular, down to Victoria certainly provided great impetus for introducing these changes. (Quorum formed) There is one thing about those on the other side: they cannot escape those traits from their union movement days. In the past they called people out onto the grass. We do not have grass here; we have carpet. But they are still calling everybody out. Ring the bell and get them out here. I thank the Chief Opposition Whip for giving me an audience.

The fairness testing arrangements introduced in this bill will provide a stronger safety net for the majority of working Australians. It is a safety net that promotes fairness whilst retaining the flexibility that has helped produce the conditions that we have today—conditions such as a 33-year low in unemployment, which now sits at 4.4 per cent and in some parts of my electorate is even lower. We have the lowest level of strike action since 1913. Of course, as I mentioned earlier on, we have seen real wages growth of over 19 per cent since 1996. The test within this bill means that fair compensation and security is provided to employees where protected conditions such as penalty rates and overtime are modified in a workplace agreement. I thought that was what the other side wanted: fair compensation and security to be given to employees when trading away penalty rates and other conditions. Of course we know that the ACTU—and this comes straight out of Greg Combet’s mouth—has entered into these sorts of nego-
tations in the past, where compensation has been given for trading away penalty rates, overtime and other traditional award conditions. I would have thought that this measure would have had universal support from those on the other side. So when I hear the member for Lalor saying that this amendment only goes 99 per cent of the way I am confused by that statement, because she obviously has not read the full implications of this bill.

The amendments will be welcomed by many constituents who live in my electorate of Deakin in Melbourne, particularly those who have argued for a safety net and an enforcement regime. The new arrangements mean that people earning under $75,000 per annum base pay will be able to have their employment arrangements scrutinised by the Workplace Authority in order that they receive fair monetary or non-monetary equivalent compensation. These changes mean that the personal circumstances of both the employer and the employee will be taken into account. Working families can take into account their outside of work responsibilities when negotiating new employment agreements—a condition, I might add, that has always been in place. This bill certainly reinforces that provision. It expands choice and flexibility to those who have been forced to work under inflexible awards and collective agreements. This flexibility has been further underwritten by creating a cop on the beat in the form of the Workplace Authority. I would have thought that members of the public listening to this debate, those who have had some concerns and have been scared off by the union movement’s fear campaign, would welcome the fact that there will be 600 new workplace assessors ensuring that the right thing is done by the employee. No-one, I would have thought, on either side would want to see a situation where a rogue employer is allowed to get away with abusing employment arrangements—whether it be by 2c or by 45c. We do not want to see that sort of situation. Those employers certainly do not deserve to have employees employed under such conditions.

The powers of the Workplace Authority will be to provide advice to employers and employees on how to make an agreement fair for both parties. This needs to take place within 14 days. Importantly, if the agreement fails to meet the fairness test within the 14-day period it will become null and void and revert to the pre-existing agreement. If there is no agreement, it will revert to a default award which will then come into effect. The Workplace Authority will have the power to strike down contracts if they do not meet the fairness test conditions. I think this would be a welcome provision in these amendments by those on the other side.

The protection of penalty rates will also be a key component of the new fairness test. If the employer and employee agree to a trade off without an obvious monetary value, the new independent umpire, the Workplace Authority, must be satisfied that the compensation is of significant value to the employee and their individual needs. This is not too dissimilar to the way that it has operated in the past through the Industrial Relations Commission.

The Workplace Ombudsman will replace the Office of Workplace Services. The Office of Workplace Services, in its brief 15-month history, has represented employees in fine style. Since March 2006 it has contacted 46,600 workplaces, undertaken over 2,000 workplace audits, lodged or completed 37 litigations against employers and recovered over $10 million in employee entitlements on behalf of 6,300 employees. This office has been an office of real power and that power will be boosted even more through these amendments. The fairness test will build on these strengths and ensure that: the
general public have real confidence in a system that provides the flexibility demanded by modern nations while still providing protection to the vulnerable, the young and employees coming back into the workforce after a number of years absence; an employer cannot dismiss an employee because an agreement fails or may fail the fairness test—and that is part of the protection; an employer cannot coerce an existing employee to modify or remove a protected award condition—if they do, the Workplace Authority will certainly come down and strike the agreement out; and an employer would pay any compensation which the employee values, in answer to the member for Grayndler’s comment during his contribution. The great irony of this debate is that the Labor Party is not offering a fairer, more flexible system. The Labor Party is offering a dangerous industrial relations policy—a policy that is a danger to jobs, jobs growth, wages growth and, as I said earlier, ongoing economic prosperity. This party which, according to its spin doctors, cares about working conditions, even forgot to add a minimum wage to its 10 minimum conditions—the member for Lalor spoke about what Labor’s policy will be—now making it 11 minimum conditions. But then again, I am confused whether it is 11 because only yesterday in an opinion piece by the member for Lalor in the Age, she said:

Labor supports a real safety net. Ten legislated minimum conditions...

I ask: is it 10 or is it 11? Each day there seems to be more and more confusion with those on the other side. The deceptiveness and short-sightedness of the ALP’s claims to be the workers’ friends have been shown up by their insistence that, despite supporting this bill, if they come into office they will abolish the fairness test provisions, showing that their posturing today is simply hollow rhetoric. You either support the bill or you do not. If you do not think that it is worth it, why are you going to support the bill later on this afternoon when we come to the vote?

The Labor Party’s industrial relations policy was sold out to the ACTU. The price for the sale was $100 million. The member for Holt may laugh, but he knows as well as I do that, if he breaks that down, $20 million of the $100 million has been set aside for 20 seats. We know that they are cashed up. I dread to be a constituent in the next election who goes to the letter box and opens it. There will be a flood of mail coming out. Based on the $20 million—$1 million per federal electorate for the 20 electorates that have been chosen by those on the other side. They have sold out to the ACTU. For this price, unions will have unprecedented access to workplaces. It is going back to the bad days of bullying and standover tactics in the workplace.

We only have to listen to words from the mouths of those in the union movement. A senior union official—I think it was Greg Combet; I apologise if it was not—said, ‘We used to run Australia and it would be great to go back to those days.’ Dean Mighell from the ETU, whose official is standing for my seat, said that it would be fun to play around with employers. These are words from the union movement. They are basically saying that we are going back to the old days. Kevin Reynolds from Western Australia said that he would like to see a situation, with the abolition of the Building Construction Commission, where once again he is in charge. Labor’s own policy document reinforces the message that the union movement will be back in town—that is why their industrial relations policy is a danger to the Australian nation—but it says nothing about union rights of entry to businesses. From this glaring omission in their own policy document...
we can only assume that access by the union movement to businesses will be unlimited. Page 14 of their policy document, Forward with fairness, states:

Under Labor’s System, bargaining participants will be free to reach agreement on whatever matters suit them.

With unlimited access to the workplace under Labor, there will be no limit on what the union bosses can demand to be in agreements.

This is the kind of industrial environment that we are basically going to go back to. Under Labor, there will be no limit on what union bosses can demand to be in agreements. ‘No ticket, no start’ will be back. Unions will be able to demand that only union members be employed at a business. And they will be making demands about deductions from employees’ wages, restrictions on the use of contractors or labour hire arrangements, paid leave to attend union training and union meetings—all the things which have stifled businesses in the past will come back. There will be unlimited union right of entry and the encouragement of people through various means to take up union membership and, of course, the return to the dreaded unfair dismissal provisions.

Labor has said it will support the government’s proposed amendments to outlaw union bargaining fees which give unions the power to collect fees from workers who have chosen not to be union members. However, we cannot trust these words. How can we trust Labor when their own policy document, Forward with fairness, states:

A Rudd Labor Government will also remove the Government’s onerous, complex and legalistic restrictions on agreement content.

Labor will be introducing bargaining fees once again. (Time expired)

Mr GIBBONS (Bendigo) (1.53 pm)—Labor remains totally opposed to the Howard government’s draconian Work Choices laws because there is very little in these changes that will make the government’s Work Choices philosophy acceptable to the majority of Australian working people or make it any fairer. Nor will they stop Labor getting rid of Work Choices completely if we form government after the next election.

Mr McArthur interjecting—

Mr GIBBONS—The member for Corangamite interjects. I listened to his contribution earlier today and I would have to say that if he were any drier he would shatter.

These changes to Work Choices are a pitiful attempt at clever politics from a tired government—a government in decay and decline. We should not forget that the Prime Minister kept his plans for extreme industrial relations reform from the Australian public prior to the last federal election. But once he gained control of the Senate, the Prime Minister introduced these Work Choices laws to rip the balance out of Australian workplaces. Now, with an election around the corner, he responds to his polling and hastily creates changes to his Work Choices laws. To use the Prime Minister’s own words, it has been done because of ‘perceptions’. But actions speak louder than words.

The government arrogantly announced these laws on Friday, 4 May, and said all businesses must comply with the changes to the Work Choices laws from the following Monday. During the following weeks, the Prime Minister deliberately refused to provide details to the Australian public. But he did approve a multimillion dollar advertising campaign highlighting these changes—an advertising campaign that should have been funded by the Liberal Party. This is clearly politics before policy, and public relations before parliamentary process.

These amendments will not stop these unfair laws continuing to hurt working families.
These changes to Work Choices will not fix the lack of balance in Australian workplaces. Labor will support this amendment, on the outside chance that it may benefit just a few working Australians and their families. We are not convinced it will, but we cannot see how it will make the laws any worse.

Importantly, these changes to Work Choices will not protect basic conditions Australian families rely on, like notice of changes to rosters or redundancy pay. And these changes to Work Choices mean that a huge government bureaucracy will decide, in secret, what can be in an Australian workplace agreement. It will not even have to listen to the employee, but it will need to know all of the employee’s personal and family circumstances.

The bill still has a huge escape clause and does not necessarily apply to employers and employees, depending on their industry, location or specific circumstances. This bill will not change the fact that the Prime Minister and this government have lost touch with Australian working families. There has been enough uncertainty and delay created by these changes—we believe there should be a speedy passage of this bill through the parliament. This shows once again that the Prime Minister is a clever politician but is only interested in clinging on to power. And at the next election, these changes will remind the Australian public just how arrogant and tricky this government is.

In introducing the Work Choices bill over twelve months ago, the Howard government, by listening to the right-wing bigots and ideologues amongst its own ranks, and those who represent a minority of employers—employers who are more focused on ideology than on managing their own businesses—have done Australia a major disservice. They have participated in a foolish and damaging disservice not only to millions of working Australian men and women but also to our economy and therefore the entire nation. It is my intention to present some evidence to support this assertion, which is supported by well-grounded research and authoritative opinion from a range of internationally recognised experts. I will start by providing the House and the public with a few background facts. I will then proceed to demonstrate how this malicious and vindictive Work Choices legislation has begun, and will continue, to undermine Australia’s prosperity and growth and the standard of Australians’ working lives and Australian living standards.

Members will be aware of the disturbing testimony of the Governor of the Reserve Bank on 21 February, 2007 that Australia had enjoyed an average annual growth in its gross domestic product of 2.6 per cent for the period 1990 to 2004. Since that time, however, it has grown at the alarming rate of just 0.9 per cent—well below the rates of our competitors. In addition, and according to the Productivity Commission, ‘import penetration’ of our domestic markets increased from 25 per cent to 36 per cent. The number of jobs targeted for outsourcing overseas—or ‘offshoring’, as it is known—is also increasing. The Australian Industry Group believes that by 2008 our manufacturing sector may have lost 60,000 jobs overseas. A 2005 OECD report identified that up to 19 per cent of the Australian workforce was employed in occupations potentially affected by offshoring. These are truly alarming figures and most of our OECD competitor countries face similar challenges. Most, however, are trying to balance the need for flexibility and reform with the need for stability. The Howard government’s response has been to implement the most unfair and unbalanced legislation since 1904—legislation that is designed to drive down pay and conditions and to pro-
hibit and prosecute the legitimate activities of trade unions in this country.

Our traditional sources of competitive advantage, and therefore productivity, have changed. Indeed, over the past 20 years, Australia’s and the rest of the world’s economies have changed, and the pace of change will only accelerate. During what is referred to as the industrial age, from the late 1930s through to the mid-1970s, companies could rely on the protection of proprietary technology and import tariffs to ensure market domination. A company would not now, as Xerox did in 1959, expect that its product would dominate the world market for 13 years. Now it appears that most leading economists, as well as many industrialists and governments from the Western world, recognise and acknowledge that it is people—

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

QUESTIONS WITHOUT NOTICE

Advertising Campaigns

Mr RUDD (2.00 pm)—My question is to the Prime Minister. Now that the Prime Minister has finally confirmed the existence of a climate change campaign on television—to be funded by the Australian taxpayer—can the Prime Minister also confirm that the government is now also planning a taxpayer-funded public education campaign to increase community support for an Australian nuclear industry?

Mr HOWARD—I draw the attention of the Leader of the Opposition again to the budget papers. In relation to nuclear power, let me say that the government does reserve the right, if appropriate, to engage in a public information campaign. We do reserve that right. We think that providing information to the Australian public about the energy challenges of this country is important. It is a practice that has been engaged in by many other countries. If it does go ahead, it would be entirely appropriate and defensible.

Climate Change

Dr SOUTHCOTT (2.01 pm)—My question is addressed to the Prime Minister. Has the Prime Minister seen reports of the views of a former US Treasury Secretary in the Clinton administration regarding Kyoto and climate change? How do these views relate to those of the Australian government, and would the Prime Minister outline the practical steps the government is taking to support effective global efforts on climate change?

Mr HOWARD—I thank the member for Boothby for his question. My attention has been drawn to an article in yesterday’s Financial Times written by Mr Larry Summers, a former Secretary of the Treasury in the Clinton administration and somebody whom I could rightly describe as both a rolled-gold Democrat and a true fiscal conservative. Larry Summers is certainly entitled to that description. He begins his article by noting:

If global warming is the ultimate inconvenient truth, the most important inconvenient truth about global warming policy … is what happens in the developing world.

This highlights a point that Australia has been making regularly, both domestically and internationally. Developing countries will account for 75 per cent of the increase in global CO2 emissions between 2004 and 2030. Mr Summers goes on to argue that the Kyoto approach—and I quote directly from what he said:

… could prove to be like the League of Nations approach to preserving peace: idealistic and visionary yet impractical, ultimately ineffective and perhaps even counterproductive because of the valuable political capital it consumes.
Another esteemed columnist for the same newspaper, Martin Wolf, has previously noted:

Kyoto is a gesture, not a policy.

Both Larry Summers, who could loosely be described as being on the progressive side of politics, to use the American nomenclature, and Martin Wolf, who could be described as being a little closer to the neoconservative side of politics, once again using the American nomenclature, have reached the conclusion that Kyoto, which is the centrepiece of the opposition’s policy on global warming, is not the solution.

What this article by Larry Summers calls for is practical steps—and that of course echoes the practical steps of the AP6 initiative; Australia’s clean coal partnership with China; our global forests initiative, engaging the developing world on deforestation, which accounts for 20 per cent of global emissions; and finally the practical steps which Australia is taking to engage all of the APEC countries in the climate change issue at the meeting of APEC in September this year. That has been the character and tone of discussions I have had recently on this issue with both President Bush and the Japanese Prime Minister, Shinzo Abe. In his speech last week, the Japanese Prime Minister had this to say:

We must create a new framework which moves beyond the Kyoto protocol, in which the entire world will participate in emissions reduction. It is indispensable to establish a new framework in which both industrialised and developing countries address this issue together.

What I think we are seeing with these remarks and the attitude of other countries outside Europe is a new pragmatic way forward on climate change—one that understands the very deep flaws in the Kyoto protocol, one that recognises that the Eurocentric system of targets will not deliver the desired outcome and one that looks towards a new climate change framework that is more comprehensive and flexible.

I think this country has a dual responsibility on climate change. We must play our part in reducing emissions over time and contribute to the global solution, and we have to take practical steps to position our own economy for a lower-emissions future. On the latter, as the House knows, I will be receiving tomorrow the report of the Emissions Trading Taskforce, which I commissioned late last year. If we do move towards an emissions trading system, that will of necessity involve a long-term target of some kind. But it must be a target of which we know the consequences. It should not, in the words of Michael Chaney, the President of the Business Council of Australia, embrace a target plucked out of the air. In the words of Larry Summers, we need a global framework that goes beyond Kyoto—and Larry Summers comes to this debate with absolutely impeccable credentials as a former Treasury Secretary in the Clinton administration and somebody who is very much a rolled-gold Democrat and a true fiscal conservative.

**Climate Change**

**Mr Rudd** (2.07 pm)—My question is to the Prime Minister and it refers to his answer to the previous question on Kyoto. Is the Prime Minister aware that 173 countries have now ratified the Kyoto protocol, including China, India, Korea and Japan? Is the Prime Minister also aware that only three countries that signed the Kyoto protocol did not proceed to ratify it, namely Australia, the United States of America and Kazakhstan? Is the Prime Minister also aware that only three countries that signed the Kyoto protocol did not proceed to ratify it, namely Australia, the United States of America and Kazakhstan? Prime Minister, isn’t it a fact that if the USA ratified Kyoto today Australia would ratify it tomorrow—or would Australia also wait for Kazakhstan to ratify it first?

*Opposition members interjecting—*
The SPEAKER—Order! The Prime Minister has been called to answer the questions. He will be heard.

Mr HOWARD—The answer to the first question is yes, it is true that that number of countries have ratified it. The answer to the second question is that Australia is one of a small number of countries that haven’t, and the reason we haven’t ratified—

Opposition members interjecting—

The SPEAKER—Order!

Mr HOWARD—It is not a question of how many countries that you accompany in a position; it is whether the position is in our national interests. The Leader of the Opposition quotes China as having ratified the protocol. It is easy for a country like China to ratify the protocol because China does not assume the obligations under the protocol that a country such as Australia would. If we had ratified the protocol, we would have been assuming obligations that would have been damaging to our economy; costly to jobs, especially in the resources industry; and not in Australia’s long-term interests. The Leader of the Opposition should be reminded that decisions in relation to these matters are not determined by the number of countries that share your view but by whether you believe the position you have taken is in your country’s interests. It was plainly not in the interests of Australia to ratify the protocol and that is why the government took that decision.

Workplace Relations

Mr KEENAN (2.10 pm)—My question is addressed to the Treasurer. Would the Treasurer inform the House of the importance of a flexible industrial relations policy to the management of monetary policy? What are the dangers from support for pattern bargaining?

Mr COSTELLO—I thank the honourable member for Stirling for his question. The Australian economy is carefully poised at the moment. We have been growing strongly with good, strong employment growth. Nearly 310,000 jobs have been created over the year to April and our unemployment rate has fallen to 4.4 per cent, the lowest rate in 32 years. Our participation rates are at near record highs. Despite all of this, wages growth, which has increased in real terms, has not experienced the level of a break-out which would threaten inflation and monetary policy, and indeed did threaten inflation and monetary policy during other periods of considerable economic growth in this country.

A flexible industrial relations policy is absolutely critical to maintaining the performance of job creation with real wages growth without wages becoming a problem and threatening inflation. From an economic point of view, nothing could be more dangerous than a return to pattern bargaining. Pattern bargaining was widely practised in this country before the introduction of the government’s industrial relations reform which removed protection for pattern bargaining as part of industrial action and empowered courts to give injunctions to stop it.

What stops pattern bargaining in this economy is the government’s industrial relations legislation. If there is a change of government and the Labor Party rips that legislation up lock, stock and barrel, as the Deputy Leader of the Opposition has promised, pattern bargaining would again be legal and would again be practised. We have had come recently to light a speech by Dean Mighell from the Electrical Trades Union complaining about this government’s policy which stops pattern bargaining and boasting, when he thought he was off the record, of how he has used pattern bargaining to extract millions of dollars through strikes and bans.
Dean Mighell is not the first trade union leader to have done this or indeed the first trade union leader to have boasted about this. Unfortunately for Dean, his comments have become public. As a consequence of that, the Leader of the Opposition has confected surprise that Dean could have had these views, surprise that Dean could have been so looking forward to the election of a Labor government, and he says he is going to drum Dean out of the Labor Party. But what he is not going to do of course is drum the policy out of the Labor Party which would permit the return of pattern bargaining.

Dean Mighell was of course a speaker at the ALP national conference where the Leader of the Opposition apparently took no objection to him or his putrid comments, if I may say so, in relation to the Prime Minister. Dean Mighell is from the ETU, which is a division of the Communications, Electrical and Plumbing Union of Australia, and that union over the last 10 years has donated $3.8 million to the Australian Labor Party. So if the money is to be handed back, we have got to have an assurance that the whole $3.8 million of donations from that union are handed back.

Let me make this point: in addition to the donations that the Communications, Electrical and Plumbing Union of Australia has made to the ALP, that union is actually an affiliated union to the Victorian ALP. As the Victorian ALP records on its website:

... state branches of the unions affiliated to state branches of the ALP ... give financial support to the ALP, and have voting rights at State Conference, where they nominate 50% of delegates.

So if Dean Mighell is to be drummed out of the ALP, Dean Mighell’s union should also be disaffiliated from the ALP because that union, in conjunction with other unions, happens to hold 50 per cent of the votes at state conference. This will be a great test for the Leader of the Opposition. New Labour in Britain was prepared to reduce the power of the trade unions. If Dean Mighell is such a putrid character, will he be demanding the disaffiliation of Dean Mighell’s union? Because, if he does not, Dean Mighell does not have to be a member of the ALP; he can direct the ETU delegates down on the state floor of the conference where, together with other unions, they have 50 per cent of the votes. All of the ex-union officials that are now on the front bench of the Labor Party know precisely how it works.

In addition to that, the Leader of the Opposition should give great thought to the ETU candidates that are running on behalf of Labor at the next federal election because Dean Mighell has publicly boasted that one of his shop stewards, Mike Symons, is the Labor candidate for Deakin—supported and funded by Dean Mighell and the ETU as a candidate—a candidate running lock, stock and barrel ALP industrial relations policy in the seat of Deakin. Why would Mike Symons, Dean Mighell and the ETU be running so hard in the seat of Deakin? Because they know that the only things that stand between pattern bargaining in the workplace coming back are this government and this government’s industrial relations legislation. They know the quickest and the easiest way to bring back pattern bargaining is to get rid of the member for Deakin, get a change of government and get a pack of union patsies back amending the industrial relations legislation of Australia.

To say that the Leader of the Opposition is somehow surprised about Dean Mighell would be the greatest confected piece of political theatre that we have seen for a long time. The ALP was formed by the unions. The ALP has 50 per cent union control. Every single member of the Labor Party sitting opposite is a union member. Every ACTU secretary can look forward to a su-
perannuation package in this parliament. The Leader of the Opposition leads a party formed by the unions for the unions, and the unions want that party back because they know it will be a patsy for the union movement, the Dean Mighells and the ETUs of this country.

Nuclear Energy

Mr RUDD (2.18 pm)—My question is again to the Prime Minister, and I refer to the government’s proposed taxpayer funded pro-nuclear communications campaign: has the Prime Minister seen evidence from Ms Tania Constable to Senate estimates that the department will provide a work plan for the nuclear campaign to the government in September? Has that date been set so the government has a work plan for the nuclear communications campaign in its possession prior to the election?

Mr HOWARD—In relation to the communications strategy or whatever you want to call it, I remind the Leader of the Opposition that on 28 April this year, which was the weekend of the national conference of the ALP, I released a statement on uranium mining and nuclear energy. On page 2 of that statement, I indicated that there would be communications strategies so that all Australians and other stakeholders can clearly understand what needs to be done and why. So there has never been any intention by this government to deny the possibility or the need for a communications strategy. I have not seen the evidence given. I am not making any commitments about timing. I am interested in what the official had to say, but let me simply say to the Leader of the Opposition: we have indicated a disposition to have such a strategy. We think it is necessary. We make no apology for it, and watch this space for further information.

Transport Infrastructure

Mr VASTA (2.20 pm)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services: would the Deputy Prime Minister inform the House how the coalition government is planning for Australia’s future infrastructure needs? What role have other levels of government played in this process?

Mr VAILE—I thank the member for Bonner for his question and recognise his interest in ensuring that an appropriate level of investment takes place in critical infrastructure in Australia, particularly for our all-important export industries and that includes in his electorate of Bonner in Brisbane. It has been identified that the national freight task in Australia is going to double by the year 2020 and that the nation needs to begin planning, preparing and investing to accommodate that freight task if we are to achieve the levels of growth that we have had in Australia in recent years. In the budget a couple of weeks ago, the Treasurer announced a further $22.3 billion for land transport infrastructure investment in Australia between 2009 and 2014. It takes our total investment in Aus-Link or our land transport infrastructure investment package to $38 billion. The level of investment that the Commonwealth government is making into infrastructure, both road and rail and in particular focusing on our export corridors, is unprecedented in Australia’s history.

Unfortunately, the state Labor governments in Australia are not matching this. They are trying to reap the benefits of the export boom in Australia at the moment—not just in the mining section but in other sectors as well—and they want to take the benefits of the export growth, but they do not want to reinvest in the infrastructure. If Australians really want to see what a future federal Labor government might do, they have
only to look at the state Labor government in Queensland.

Again, I draw the House’s attention to media reports today about delays in getting coal exports out of Dalrymple Bay in Central Queensland. Unfortunately, we are starting to see comments about this by some of our very good customers. One in particular in today’s media was from a highly valued customer of coal and iron ore out of Australia, the South Korean steel producer POSCO. A representative from POSCO, Mr YT Kwon, said from Seoul yesterday that he was concerned the delays in getting coal out of Dalrymple Bay in Queensland were mostly due to Queensland Rail and its overly bureaucratic approach to a crisis that now threatens the jobs across the Bowen Basin coal district in the centre of the state. He said:

Frankly, Queensland is the very worst of our suppliers [throughout the world] right now.

That is a sad situation. We pride ourselves on the coal industry, particularly in Queensland and in New South Wales, and on our ability to supply our good customers. POSCO, in Korea, is one of our very best customers and has been for many years.

I had the opportunity of speaking at the Minerals Council of Australia conference this morning. Before I spoke, Mr Peter Coates, the chairman of the Minerals Council, gave a presentation on the current state of play as far as infrastructure was concerned. The comparison between Dalrymple Bay in Queensland and Port Waratah in Newcastle is interesting. The capacity of the port at Port Waratah in Newcastle is 102 million tonnes a year, yet the capacity of the rail line servicing Port Waratah is 112 million tonnes a year. Why is that so? It is because the Commonwealth government, through the ARTC, has taken over the running of that coal line. We are in the process of investing $360 million, and already we have increased the capacity so that the capacity of the rail line servicing the port is outstripping the port.

What is the situation at Dalrymple Bay in Queensland? The capacity of the port at Dalrymple Bay in Queensland is 60 million tonnes a year. In August last year the combined logistics operation—that is, the rail and the track operation, which is all Queensland Rail; nobody else can compete on rail in Queensland—served up 59 million tonnes of coal to the port. So the capacity of the rail logistics operation servicing the port was below the capacity of the port, but in May this year that dropped to 49 million tonnes. The port can manage 60 million tonnes but the rail operation, run by the Queensland government, can get only 49 million tonnes up to it.

This is clearly a case of a lack of planning of investment by the Queensland Labor government in Queensland infrastructure that is vital to exports not just out of Queensland but also out of Australia. This is impacting on the national interest. That is what goes on in Queensland. This is the state where the Leader of the Opposition claimed he cut his teeth as an economic manager. This is how it is run in Queensland. When the Leader of the Opposition was involved with the last Labor government in Queensland, under his leadership of the bureaucracy in Queensland, they closed 13 regional railway lines and three rail workshops and 457 jobs were lost. The Goss Labor government shut down small country schools and cut 403 teaching positions and they cut 600 jobs out of the department of primary industries and shut down four regional DPI offices. These were all decisions taken by the Goss Labor government in Queensland, where the Leader of the Opposition said he cut his teeth as an economic manager. This is the experience that the Leader of the Opposition claims to have that qualifies him to be the Prime Min-
ister of Australia. The people of Australia should seriously question that.

Nuclear Energy

Mr Rudd (2.27 pm)—My question is again to the Prime Minister. I refer to the Prime Minister’s answer to my previous question where he said that the government was disposed to having a taxpayer funded advertising campaign on the nuclear energy option for Australia. Prime Minister, don’t the Australian people have a right to know whether this campaign will be conducted before the next election and how much it will cost?

Mr Howard—My understanding is that rolled into both climate change and energy was the $52 million over five years. That was outlined in the budget papers, so I do not know where the nondisclosure is.

Transport Infrastructure

Mr Hardgrave (2.27 pm)—My question is addressed to the Treasurer. Is the Treasurer aware of infrastructure bottlenecks affecting our nation’s economic and trade opportunities? What is the cause of these bottlenecks?

Mr Costello—One industry in Australia that is strong at the moment is the mining industry, and one commodity that is particularly strong as part of the mining industry is coal. Coal prices have increased very considerably in Australia, but notwithstanding increased demand and increased prices we are having the difficulty of getting volumes of exports up. This is going to the heart of Australia’s national income and to the heart of our trade performance.

The particular port in Australia that is our largest coal exporting port is Dalrymple Bay in Queensland. The bottleneck at this port is costing mining companies $1 billion a year, threatening hundreds of jobs and risking exports as more than 50 ships sit off Dalrymple Bay waiting to be loaded.

Mr Fitzgibbon—Are you sure it’s the biggest port?

Mr Costello—The member for Hunter interjects with childish interjections. Does he show any concern about the fact that one of Australia’s most important export industries, where we could be earning national income, could now be suffering a loss of $1 billion? How often are we asked in this parliament by some member of the opposition to comment on Australia’s export performance?

How important is it? It is of absolute importance. Here we are, at a time when the world wants this resource and when prices have never been higher, and we cannot export it because of sheer incompetence in the management at Dalrymple Bay.

Lest anybody think that I have recently become interested in this let me remind the House that I first raised this matter in the House in February 2005. In 2005 there were 40 ships waiting off the coast of Dalrymple Bay. Now we are in 2007 and there are 50 ships. Think of all of the lost income that has transpired since then. All of the other countries around the world that have coal resources are increasing their capacity to get those markets but in Australia we cannot increase our capacity because we cannot fix the rail line down to the port.

Who owns that rail line? It is the Queensland government. You cannot blame a private operator. I think the Queensland government is now the only state owned rail in relation to freight and exports in Australia. They deliberately kept control of this rail line so that there would be no competition, so that they could extract a monopoly rent and so that they could pay a dividend. The one thing they forgot to actually do was to invest in the capacity so that we could get exports to the port and out to the rest of the world.
I heard the Premier of Queensland, who is apparently not responsible for anything, on the radio today. There seems to be no area of policy in Queensland for which he takes responsibility, and he was saying that this is all the fault of the expansion of the Chinese market; no-one at the federal level, no-one amongst the coal companies and no-one at the state level correctly anticipated the expansion of the Chinese market. Two years ago I was raising that matter here in this parliament because two years ago there had already been a two-year delay in relation to increasing infrastructure. Here we are now, four years later, with nothing done, with no competition, with no investment, with under-resourced infrastructure, with Australia’s exports, as a result, bleeding and the Queensland Premier says, ‘This is because no-one anticipated the increase in China.’ There have been over four years to do something about this problem.

This is solely and totally the responsibility of a state Labor government. When you are looking at the performance of Labor and wondering whether or not they could manage a national economy, ask yourself this question: which state government would you hold up as the exemplar of economic policy in this country? Would it be Queensland, where they cannot get the rail system right? Would it be New South Wales, known for their expertise in motor vehicle tunnels, or Victoria, where the passenger trains stop but they do not quite stop at the platform? Think about it. The Labor Party cannot run any one state and yet if they get elected at the next election they will be running every state and the national economy. This is not good enough for Australia’s export reputation. The Commonwealth have offered to take control of export ports, which are critical for the national economy. The Queensland government and every other state Labor government have refused to do it. They are solely responsible for this problem and they need to fix it fast.

**Nuclear Energy**

Mr Garrett (2.34 pm)—My question is to the Prime Minister. I refer to evidence from Senate estimate hearings on Monday when officials were asked whether the Commonwealth has sought advice on whether it has the power to override state legislative provisions that impact on the nuclear industry in Australia. I also refer to the officials’ response that those issues are currently being examined. Prime Minister, have there been any discussions with the Attorney-General’s Department or the Australian Government Solicitor on how the Commonwealth might override state laws to enable construction of nuclear reactors?

Mr Howard—I cannot tell the House what discussions may have taken place between other people. Let me say this: I am not aware that any formal legal advice has been sought. That is the advice I have. There is no dark secret about this. We support opening Australia up to the possibility of a nuclear industry. We do not have any current proposals for the simple reason that nuclear power is something that will come when there is an economic opportunity for it. When it does come, it will be subject to the normal processes and constraints.

But obviously, as Prime Minister, I would be interested in the constitutional position and I do not run away from that. I actually believe that this country has to embrace the option of nuclear power because, unlike the member for Kingsford Smith, I happen to believe that nuclear power is a clean, green alternative to fossil fuels. In those circumstances, if there has been informal advice sought, I have no problem with that. I am certainly interested in what the position is and I am not pretending that I would not be interested in what the result of that inquiry
for informal advice might be. But as for whether we are giving it any consideration and whether we have any proposals in contemplation, no.

If you put aside the little word games that are being engaged in, it stands to reason that, if you have a policy which leaves open the opportunity of nuclear power and you are a Commonwealth government, of course you would want to know at some stage whether the Commonwealth could legislate to make it possible for nuclear power to come about. It is a bit ridiculous to have a policy and not have the conviction to want to know what is needed to implement that policy. I happen to believe that the states are wrong on nuclear power; I think the Labor Party is wrong on nuclear power—and it follows from that that I would be most interested to know what the legal power of the Commonwealth actually is.

Building and Construction Industry

Mr BARRESI (2.37 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister inform the House what measures are in place to protect the building and construction industry. Is the minister aware of efforts to undermine these protections?

Mr HOCKEY—I thank the member for Deakin for his question and recognise that in 1996, when he was elected, the unemployment rate in his electorate was 6.1 per cent; today it is 4.7 per cent, which is fantastic news. That does not happen by accident. It happens because we are prepared to put in place reforms of the Australian economy that help to build prosperity, including workplace reform and accepting the recommendations of the Cole royal commission into the building industry in 2003, which presented a compelling and unassailable need for change. That is why we set up an independent regulator with real teeth, the Australian Building and Construction Commission.

Since we set up the ABCC, the watchdog, the number of strikes in the building industry has fallen to record lows. In fact, of every 1,000 working days, the number of days lost to strikes has fallen from 37 days to two days every three months. That makes a real difference because every day lost in the building industry costs the industry $200,000, and on major construction projects that is a very significant sum. Yet the Labor Party wants to abolish the watchdog. The Labor Party is so enamoured of the great work of this watchdog, its reduction in the number of strikes, that the Labor Party wants to abolish this watchdog. If it is working so well, why doesn’t the Labor Party want to keep it?

Well, I too came across the words of Dean Mighell, the boss of the Electrical Trades Union in Victoria. I thought I would get a clearer picture of why the Labor Party wants to abolish the watchdog when I read the transcript of what he said in the Dallas Brooks Hall in 2006. This is what Dean Mighell said: ‘The Australian Building and Construction Commission, their budget this year is $32.9 million and they have 155 employees and probably one of the—expletive—is in this room now monitoring this agreement.’ He goes on to say: ‘The greedy—expletive—and you have to have a look at what they offer at the end of the day is—expletive—and—expletive—agreements—expletive—me. What ability do we have to take protected industrial action anymore? The answer is—expletive—all.’

Of course, Dean Mighell is Labor Party royalty. He has Labor Party candidates running in seats such as Franklin, Bowman and Deakin. The ETU is still affiliated with the Labor Party. Of course, the Deputy Leader of the Opposition gave an address to the ETU conference on 1 May. She did not worry
about anything that was said about Dean Mighell before that—just went along and they had a happy greeting. So I was wondering: what is Dean Mighell going to wake up to tomorrow morning; what is going to be the headline? And I thought to myself, as I was listening to the Leader of the Opposition on Sky News, ‘Dean Mighell is going to wake up to an interesting headline: “Union boss quits Labor”.’ That is the headline Dean Mighell is going to see tomorrow morning. It is interesting because Dean Mighell resigned from the Labor Party three years ago! It is like Groundhog Day. Dean Mighell is going to wake up tomorrow morning, the clock radio will click over as it did for Bill Murray. Sonny and Cher will come on with *I Got You, Babe* and the radio will say:

Okay, campers … don’t forget your booties because it’s COOOLD out there …

*Government members interjecting—*

**Mr HOCKEY**—The Labor Party has form. That is why—

**The SPEAKER**—Order! The minister has made his point.

**Mr HOCKEY**—what the Leader of the Opposition said today is a political trick. It is a political trick because—do you know what?—Dean Mighell resigned from the Labor Party. He resigned because he was upset with the leader of the Labor Party last time and today he resigns again. These people have form. It is hypocrisy. And do you know why Dean Mighell is not upset about leaving the Labor Party? Because the Labor Party policy is still the same. It is still the same. As Dean Mighell said on Sky News only today, ‘I’m not totally fussed about the Labor Party’s policy, quite honestly.’ Well, at least he was being honest. He is not a hypocrite. Do you know why? Because he is not playing the political game that the Leader of the Opposition is playing. Dean Mighell resigned from the Labor Party before, but his union members remain. He is still affiliated, paying affiliation money to the Labor Party. You always have to look at what the Labor Party does, not what it says.

**Climate Change**

**Mr RUDD** (2.43 pm)—My question is again to the Prime Minister, and it refers to his previous answer, where he said that the emissions trading report he was going to receive tomorrow would contain a long-term carbon target—

**Mr Howard**—No, I didn’t say that.

**Mr Downer**—‘Words to that effect’?

**The SPEAKER**—Order! The Minister for Foreign Affairs!

**Mr McGauran** interjecting—

**The SPEAKER**—Order! The minister for agriculture!

*Government members interjecting—*

**The SPEAKER**—Order! The Leader of the Opposition will resume his seat. The Leader of the Opposition has the call. The Leader of the Opposition will be heard. I call the Leader of the Opposition.

**Mr RUDD**—that will, of necessity, of itself contain a long-term target of some kind. Is the Prime Minister aware that the Australian Business Roundtable on Climate Change, made up of leading Australian companies, including BP, the Insurance Australia Group and Westpac, has stated, ‘Achieving a 60 per cent reduction in greenhouse gas emissions from year 2000 levels by 2050 is possible while maintaining strong economic growth’? Prime Minister, is the business roundtable, containing such prominent Australian companies as BP, the Insurance Australia Group and Westpac, and international companies, wrong on climate change?

**Mr HOWARD**—I think we have already corrected the claim made by the Leader of the Opposition. His words to that effect
were, once again, words not to that effect. What I said was that we will move towards an emissions trading system that will of necessity involve a long-term target of some kind. I did not indicate that the report was going to name a target. As to the business roundtable, of course it contains representatives of a number of reputable Australian and foreign companies. I am interested in their views, but I think the Leader of the Opposition ought to read the report very carefully tomorrow. I think he will be informed and advised by it.

Workplace Relations

Mr WOOD (2.45 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister inform the House how a flexible, modern and decentralised workplace relations system is helping to create better jobs and higher wages? Are there any alternative policies?

Mr HOCKEY—I thank the member for La Trobe for his question. There is no doubt that the workplace relations reforms introduced by this government over the last 11 years have helped to build a stronger economy. More recently, abolishing the application of unfair dismissal laws on small business, improving flexibility in the workplace, ensuring for example that we have a strong and independent regulator of the construction industry and ensuring that we have the Fair Pay Commission to make decisions independently about the minimum wage all form part of the fabric that helps to build a strong and prosperous economy with an unemployment rate of only 4.4 per cent. The Labor Party’s policies will destroy that. The Labor Party’s industrial relations policy, which was written by two people—the Deputy Leader of the Opposition and Greg Combet—

Mr Abbott—What about Dean Mighell?

Mr HOCKEY—I did forget Dean Mighell. I am giving him the benefit of the doubt. He had the input into the building commission, he had the input into patent bargaining, and I suspect he had the input into right of entry, which we will get to on another day and talk about it there. That is why people should not be fooled by every interview with the Leader of the Opposition and the Deputy Leader of the Opposition about their industrial relations policy, because it changes all the time. The truth of the matter is that 100 per cent of the members of parliament from the Labor Party are members of the trade union movement, yet only 15 per cent of the private sector workers in Australia are members of the trade union movement. Seventy per cent of the Labor Party frontbench are former union officials. The unions have donated over $50 million to the Labor Party over the last few years, and there is no doubt that, as part of the $100 million war chest assembled by the Labor Party in the lead-up to the election, it will help to get further union officials into the Labor Party ranks. Greg Combet is running in Charlton, Bill Shorten is running in Maribyrnong, Doug Cameron is running for the Senate, Don Farrell is running for the Senate, Richard Marles is running for the Senate and Kevin Harkins is running in Franklin. They all happen to be safe Labor seats where those union officials are running.

I want to quote the Leader of the Opposition in an address to the National Press Club in April this year. Not only did he endorse all those union bosses coming into the Labor Party; he said:

... get them in and get them in early.

Of course Greg Combet could not hold back. Greg Combet said:

I recall we used to run the country and it would not be a bad thing if we did again.
Dean Mighell said things down at the hall that the Leader of the Opposition and, quite frankly, everyone else found quite offensive. But the Leader of the Opposition said on TV that he demanded his resignation. He was so outraged about the words of Dean Mighell that he demanded his resignation. Of course, like a whole lot of roosters in the rooster pen, all the roosters came out on this—the member for Lilley, the Deputy Leader of the Opposition; they all came out. I just say to them that I am reminded of the comment from Sharan Burrow in a Lateline interview, funnily enough, with Maxine McKew—hardly a penetrating interview—and from Greg Combet, who happened to pass comment on the same Lateline program. I thought to myself, ‘Was Dean Mighell sacked because of his language?’ Greg Combet in that program said, ‘Don’t be conned for a minute by any of John Howard’s—expletive.’ Well, Greg Combet has not been sacked yet. He is still there. Obviously it was not the language. Do you know what it might be about? I think it might be about the outrage the Australian people felt at the behaviour and insensitivity of Dean Mighell. That is what people were outraged about.

I was reminded of Sharan Burrow’s comment—and I want to know if the Leader of the Opposition supports this comment from Sharan Burrow. She said:

I need a mum or a dad of someone who has been seriously injured or killed. That would be fantastic.

That is what Sharan Burrow said. ‘It would be fantastic to find someone who was the victim of a workplace death. That would help the union movement in their campaign against the Howard government.’ The Labor Party should be judged on what they do, not what they say. When it comes to double standards, look at what they have got on the record. I table that.

Parliament House: Energy Use

Mr ANDREN (2.51 pm)—My question is to the Prime Minister. Could the Prime Minister detail approximately what proportion of this parliament building’s power supply comes from clean, green energy? Are there any plans to install solar panels, especially on the extensive sloping lawns of the complex, to offset energy use, supply clean solar energy to the grid and send a positive message to Australians on the advantages of clean and readily available alternative energy options?

Mr HOWARD—In reply to the member for Calare, the executive government does not control this building, as the member should well know. I will refer his inquiry to the Presiding Officers.

Medicare

Mr FAWCETT (2.52 pm)—My question is addressed to the Minister for Health and Ageing. Would the minister update the House on the government’s latest measures to strengthen Medicare? Is the minister aware of any alternative policies, and what is the government’s response?

Mr ABBOTT—Let me just say what a great advocate for better health services the member for Wakefield is. The GP after hours clinic at Gawler is at least in part due to his advocacy. And, thanks in part to these kinds of new measures, the GP bulk billing rate in his electorate has gone up by nine percentage points since 2003. Not for nothing is the Howard government known throughout this land as the best friend that Medicare has ever had, and the reason for that is that the Howard government do not rest on their laurels. We never rest on our laurels. In the budget a fortnight ago, we committed another $291 million to give people with chronic disease better access to specialist services and to give people with chronic disease better access to Medicare. For dentistry there was
$378 million and there was more than $120 million for Indigenous health programs. Just this morning, the government announced an extension of GP procedural training grants to regional cities such as Queanbeyan and Townsville. In part that is because of the ferocious advocacy of those great, hardworking local members, the member for Eden-Monaro and the member for Herbert, who want to make sure that GP services continue to be available in their public hospitals.

Meanwhile, the Australian Labor Party have no policy on health except to cut funding and to rip the guts out of the fee-for-service principle on which Medicare is always based. At the AMA conference last weekend, the member for Gellibrand was asked about cashing out Medicare rebates into some kind of pooled fund. This is what she said in response—listen to this: ‘So we have no plans for the pooling of those payments and we ... but we are always going to.’ This is the kind of gobbledygook that we have come to expect from someone who, tragically, is the alternative health minister of this country. She went on to say, ‘We have to look at ways that we can modernise Medicare,’ and we all know what Labor means when they talk about modernising something. They want to modernise Medicare out of existence. Labor has form. I suspect that the Leader of the Opposition wants to modernise Medicare out of existence. He modernised Queensland Health by cutting 2,200 public hospital beds, he modernised Queensland Health by closing six operating theatres, he blew out dental waiting lists to three years and he sacked the chief nursing officer for Queensland. Not for nothing was this guy known as Dr Death when he was the director-general of the Christian socialist government of Queensland. From what we have seen from him lately, I think he is suffering from a chronic condition himself. It is called TDD: truth deficit disorder. That is what we have seen from the Leader of the Opposition over the last few days. Let me say of the Leader of the Opposition, if he is untrustworthy with the truth, you certainly cannot trust him with Medicare.

**Industrial Relations Advertisements**

Ms GILLARD (2.57 pm)—My question is to the Prime Minister. Given that the Minister for Employment and Workplace Relations refused last Thursday to answer a simple question about whether the government is producing more industrial relations advertisements, will the Prime Minister now tell Australians the truth? Has production of a second round of industrial relations advertisements commenced? If so, what will the government spend on the second round?

Mr HOWARD—The answer to the deputy leader’s question is that we have, as I think the minister or somebody indicated in Senate estimates, expended around $5 million in relation to the information campaign.

Mr Crean interjecting—

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

Mr HOWARD—we reserve the right to provide further information. If I am able to provide at this stage any further estimates of that, I will.

**Terrorism**

Mr BRUCE SCOTT (2.59 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on recent initiatives to address terrorism in South-East Asia? What are the implications for Australia’s national security?

Mr DOWNER—I thank the member for Maranoa for his question. The government continues to take very seriously the threat of terrorism—which is a threat to Australians abroad, in particular, but also a threat to Australia’s interests. This is a global struggle
which requires global cooperation with the major countries of the region and beyond. We have no illusions about it being a long-term struggle and a very difficult struggle. In South-East Asia, the Indonesians, the Filipinos, the Malaysians and the Singaporeans have had considerable success and they have been substantially assisted by Australia. I congratulate those countries. They have also been substantially assisted by the United States of America. When I was in America last week and early this week I continued dialogue with the Americans, in particular with the Secretary of State, but also in Honolulu with the Pacific Command there, on the issue of counterterrorism and continued to urge active United States involvement in South-East Asia in addressing the issue of terrorism, which they have been doing.

We have always made the point that countering terrorism requires strong international cooperation. It also requires using a variety of different tools. Clearly, in certain circumstances military action is, unfortunately, necessary. Certainly in many circumstances, police and intelligence action is necessary. We also believe it is necessary to engage the hearts and minds of people, especially in countries which are vulnerable to raising terrorists and where communities support terrorist activity.

Yesterday I hosted the Regional Interfaith Dialogue, which involved 14 countries, the ASEAN countries, Australia, New Zealand, Fiji, Papua New Guinea and East Timor. At this meeting we brought together the religious leaders—the ‘faith leaders’, as they are nowadays described—of countries right around the region. These people are able to go back to their homes and explain the message of moderation, explain the message of tolerance and explain the great virtue of resolving differences, including religious differences, through discussion and dialogue, not through resorting to militant action. The Regional Interfaith Dialogue has over the years proved to be a very effective tool to counter terrorism in South-East Asia. I should not overclaim here, but it has definitely made a contribution to reducing support in South-East Asia for extremism. The interfaith dialogue was established by the Indonesian Foreign Minister, Hassan Wirajuda, and me back in 2004. The first meeting was in Yogyakarta.

The point I make is this: a government of this country which is effective in pursuing a counterterrorism strategy is able to do a number of things at once through its relations with countries in the region. It is able to build, for example, an interfaith dialogue. It is able to build, if you like, ‘soft power’ to address these issues throughout the region. Secondly, a government with good relations around the region and with the United States is able to harness resources into South-East Asia which otherwise would not be available. That is why I think it is disappointing that the Labor Party wants to downgrade the relationship with the United States—

Mr Fitzgibbon—When did you make that up?

Mr Bevis—That’s nonsense.

Mr Downer—when the United States is so important to counter terrorism throughout the region. I can only say that I was delighted to spend a few days last week with Secretary Rice and some time in Honolulu discussing many issues, including the issue of counterterrorism. Opposition members damn themselves by their interjections, which simply prove the point that they do not think those sorts of personal relationships are an important part of diplomacy. Well, they would not be, if you wanted to downgrade your relations with friends like the United States.
Climate Change

Mr GARRETT (3.04 pm)—My question is to the Prime Minister. I refer the Prime Minister to his previous answer when he claimed that Mr Larry Summers had ‘come to this debate with absolutely impeccable credentials’ in relation to his view of Kyoto. Is the Prime Minister aware of Mr Summers’ argument put to a scientific conference last year that:

Innate difference might explain why there are so few female scientists in high ranking academic positions.

Prime Minister, how can you be sure that your latest climate change sceptic is not behind the times on climate change as he is behind the times on the role of women?

The SPEAKER—Before calling the Prime Minister, can I remind the member for Kingsford Smith that he should direct his question through the chair.

Mr HOWARD—I will not enter the debate about the views that Mr Summers took as Harvard President in relation to the role of women in the academy. That was not what I was referring to, and the member for Kingsford Smith knows it. What I was referring to was the fact that Mr Summers was the Treasury Secretary in the Clinton administration, a very highly respected Treasury Secretary—

Mr Snowdon interjecting—

Mr HOWARD—He had been the deputy to Bob Rubin when he was Treasury Secretary. He was a supporter of the Democratic side of politics. He certainly had a very good record as a fiscal conservative because during the period that the Clinton government was in office the American budget deficit was lower than it is now. He was generally regarded as highly competent in the job that he did. I don’t think time permits us to debate everything related to his views when he was at Harvard, but he certainly has very good credentials as far as the economy is concerned and as far as being very much on what I might call the progressive side of politics is concerned.

Superannuation

Mr TOLLNER (3.06 pm)—My question is addressed to the Minister for Revenue and Assistant Treasurer. Would the Minister outline to the House how the government is helping Australians save for their retirement. Are there any threats to people putting money away for their retirement?

Mr DUTTON—I thank the member for Solomon for his question. There is no better example of the contrast between candidates on this side of the House and those opposite than the member for Solomon. He is a person who, before entering this parliament, worked in the superannuation industry for over a decade. He helped prepare Australians for their retirement. He helped devise strategies to help them put money away for their retirement.

Ms Annette Ellis interjecting—

The SPEAKER—The member for Canberra is warned.

Mr DUTTON—Compare the member for Solomon with all the union hacks opposite. There is nobody with small business experience, nobody with a capacity to put money aside.

Ms Annette Ellis interjecting—

The SPEAKER—The member for Canberra is warned.

Mr DUTTON—There is nobody with a capacity to employ Australians—

Mr Ripoll interjecting—

The SPEAKER—And so is the member for Oxley.

Mr DUTTON—or to put their house at risk. They have nothing but a union movement background. We know that in this
country at the moment superannuation funds are returning good double-digit returns to their investors. People who look at their superannuation statements are now seeing the benefits of a good economy. When we as a government talk about having managed the economy well over the past 11 years—

Mr Brendan O’Connor interjecting—

The SPEAKER—The member for Gorton!

Mr DUTTON—we know that one of the benefits that flows from good management of the economy is people’s return on their superannuation. People want to amass wealth in their superannuation so that they can support themselves in retirement. One thing will put that at threat, and that is the mismanagement of the Australian economy. Let me make this prediction today: if the Labor Party and the union movement are back in charge of the Australian economy the returns to superannuation funds will again diminish. They diminished when Labor were last in power. If the unions are raping and pillaging business in this country, the companies cannot provide proper returns to their investors.

Mr Brendan O’Connor interjecting—

The SPEAKER—The minister will resume his seat. The member for Gorton continues to interject. He will excuse himself under standing order 94(a).

The member for Gorton then left the chamber.

Mr DUTTON—that is goodbye to the CFMEU rep here today, but there are plenty of other union representatives in the parliament to fill his place, aren’t there? The point I make is that, if the economy is run poorly, if the economy is run into the ground again by Labor, it will not just mean for families that they have hundreds of dollars more to pay for their mortgage each month. It will not just mean they pay more by way of taxes as the economy needs to be propped up by extra revenues, which is what happened when Labor were last in power. What a Labor and union government mean in this country is a diminishing return on people’s investment in superannuation. The Labor Party is a great threat to people’s superannuation in this country.

Housing Affordability

Ms PLIBERSEK (3.10 pm)—My question is to the Prime Minister. Is the Prime Minister aware that, when he came to office, the average family home cost about four times the average annual wage? Is he aware that the average family home now costs seven times the average annual wage? Does the Prime Minister still think that families struggling to afford a home have never been better off?

Mr HOWARD—I do not have the exact figures at my disposal, but it is true that housing affordability has declined. I am perfectly aware of that and I do not dispute it. It is a cause of concern to me and to the government. I would offer the view that it would have declined even more sharply if interest rates were 17 per cent. On the subject of housing affordability, let me say to the member for Sydney that yesterday when the HIA released its housing affordability statistics a number of things were said. The Managing Director of the Housing Industry Association, Dr Silberberg, said that the figures released yesterday show all the signs of structural supply constraints. An article in the Herald Sun of 30 May reports that the Victorian executive director of the Housing Industry Association, Ms Caroline Lawrey, welcomed an improvement in home affordability in Melbourne and made the following comments—and I quote from the article:

Ms Lawrey said the slight quarterly improvement was thanks to Melbourne’s land supply, as
well as recently steady interest rates, and a cut in stamp duty for Victoria’s first-time buyers. She went on to say—and I think this goes to the core of the issue, if the member for Sydney is really interested in the affordability of housing for young Australians:

There really needs to be more collaboration between all levels of government, not only to keep interest rates stable, but also to reduce red tape and other fees and charges first-time buyers face.

I could go on by pointing out to the House that the Third Annual Demographia International Housing Affordability Survey released in January 2007 said that the experience in Australia shows as follows:

Land prices have skyrocketed, while the price of building houses has risen only modestly in real terms.

Let me say that again:

Land prices have skyrocketed, while the price of building houses has risen only modestly in real terms.

It continues:

From 1993 to 2006, 88 percent of the combined cost of new houses and land has been attributable to inflation of land prices and only 12 percent to inflation in house building costs.

Once again I remind the member for Sydney of an exchange between the member for Rankin and the former Governor of the Reserve Bank in the House of Representatives economics committee on 18 August. Dr Emerson said:

I guess that is the question: are they—
mortgage interest payments—
high by historical standards?

And this is what Macfarlane had to say:
They are. That is caused more than 100 per cent by the fact that house prices have gone up, not because of interest rates going up. Interest rates are lower than they were 10 years ago and are obviously lower than they were 15 years ago.

Mr Macfarlane—The story is all about house prices. The story is not about interest rates.

Vocational Education and Training

Mr McARTHUR (3.15 pm)—My question is addressed to the Minister for Vocational and Further Education. Would the minister inform the House what the coalition government is doing to encourage young people to undertake a trade and technical career?

Mr ROBB—I thank the member for Corangamite not only for his question but for his wonderful leadership in the development of the Australian Technical College, Geelong. This college is built on the grounds of the Gordon Institute of TAFE and is being run in partnership between the Gordon TAFE and local industry. It was a wonderful experience, at the recent formal opening of this Geelong college, to see the great pride, self-belief and enthusiasm of the students, parents and grandparents—great pride, self-belief and enthusiasm which has gone missing over the last 20 to 30 years as we have closed old-style technical schools and replaced them with one-size-fits-all secondary schools with a bias towards and emphasis on getting kids ready for university.

Might I note the member for Corio also understands this. It would be remiss of me not to thank the member for Corio for his significant help in the creation of the Geelong technical college. While I am at it, I should also thank the member for Oxley. This does not happen too often on this side of the House, but could I also thank the member for Oxley for his strong support for an Australian technical college in the south of Brisbane. I appreciated the letter and I must say that in the recent budget the government acted on his plea. Clearly, both members opposite do not share the ‘university or bust’ mindset of their parliamentary leader.
With the introduction of Australian technical colleges, once again young people born with strong technical, vocational or creative skills can access specialised training in year 11 and year 12. Those going to the technical schools, which we have created, end school with a year 12 certificate, one-third of the way through an apprenticeship, two years experience in the workplace and two years of their schooling in a school environment which places a high value on the technical and vocational skills they were born with. Not only that, but in the short 30 months it has taken us to build 20 colleges—there are eight others in the pipeline—we have seen state Labor governments, in most states, follow our lead. This was our intention all along—to show leadership in technical education. We now have several state governments mimicking our initiatives with a commitment to a further 25 old-style technical schools. In fact, the only positive ad that Morris Iemma had in his last election campaign was a rebranded version of our 2004 campaign ads committing to many technical schools. This means that within the next two years we will have more than 50 new Australian technical colleges, state and federal, on over 70 campuses across the country. We will be providing technical and vocational education to years 11 and 12 for nearly 16,000 to 20,000 young Australians.

This is a real technical education revolution. The opposition leader’s proposal to stick an oven or a lathe in a classroom at the back of the secondary school is no revolution.

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

QUESTIONS TO THE SPEAKER
Parliament House: Energy Use

Mr ANDREN (3.20 pm)—Further to my question to the Prime Minister on the provision of alternative energy options for this parliament, especially solar panels on the sloping lawns, would you take steps to explore this matter and report back to members as to what is required to advance this proposal?

The SPEAKER—I thank the member for Calare. I will make further inquiries on that issue. I also remind him that earlier this year some figures were released on energy and water savings in this building, which I think all members noted were quite significant. I am happy to look further at his question and consult with the President on the issue.

Parliamentary Behaviour

Mrs BRONWYN BISHOP (3.20 pm)—I have a question to you relating to a practice that has been developed by the opposition during question time when a minister is speaking, giving an answer—the practice of a variety of members who sit in the vicinity behind the Leader of the Opposition of standing up and blocking the camera.

Opposition members interjecting—

The SPEAKER—Order! The member for Mackellar has the call.

Mrs BRONWYN BISHOP—I refer to an article in today’s Financial Review which says:

Just as Workplace Relations Minister Joe Hockey reached the crescendo of his attack on Labor’s IR policy yesterday, shadow treasurer Wayne Swan bobbed to his feet, ruining any footage TV cameras might have used for that night’s news.

This is clearly unruly behaviour—

Opposition members interjecting—

The SPEAKER—Order, members on my left!

Mr Fitzgibbon interjecting—

The SPEAKER—The member for Hunter is warned!

Mrs BRONWYN BISHOP—and disorderly. I would ask you to consider the prac-
tice and what action you might take in future when the same practice is used.

The SPEAKER—I thank the member for Mackellar. I make the following points in response. Those who watch the television at question time would note that the operator does switch from camera to camera. So standing up, of itself, does not block the image. I would also remind all members of standing order 62, which is what I think the member for Mackellar is referring to.

AUDITOR-GENERAL’S REPORTS

Report No. 40 of 2006-07

The SPEAKER (3.22 pm)—I present the Auditor-General’s Audit report No. 40 of 2006-07 entitled Centrelink’s review and appeals system: Follow-up audit: Centrelink.

Ordered that the report be made a parliamentary paper.

BUSINESS

Mr McGauran (Gippsland—Deputy Leader of the House) (3.23 pm)—by leave—

I move:

That so much of the standing and sessional orders be suspended as would prevent questions without notice being called on at 2.30 p.m. on Thursday, 31 May 2007.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Housing Affordability

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

The refusal of the Government to acknowledge and adequately address huge rises in the costs of living.

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

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

Ms Plibersek (Sydney) (3.23 pm)—It is no surprise, perhaps, but an enormous disappointment that when we ask questions of the Prime Minister about housing affordability in this country, a critical issue for young Australians, in particular, his attitude is to look around for someone else to blame. It is never his fault and never his responsibility. It has nothing to do with interest rates and nothing to do with years of neglect by the federal government when it comes to housing. It is never his fault. But I tell you what: there is no amount of advertising and no amount of taxpayers’ dollars that the Prime Minister can spend to convince Australians that they have, as he says, never been better off when it comes to housing affordability.

We know that households are paying more than ever before as a proportion of their income on their mortgages. We know that young people are struggling to buy their first homes and that first homebuyers have fallen as a proportion of all homebuyers from 21.8 per cent in June 1996 to 17½ per cent in February this year. Young Australians are giving up on the great Australian dream of home-ownership, because this federal government is presiding over the worst housing affordability in Australia’s history. In fact, if you look at a recent NATSEM report, you will find that this does not just apply to home purchases; it also applies to rental accommodation. NATSEM show that one-quarter of a million Australians are paying more than 30 per cent of their family income on rent. So you have high purchase costs and high rental. In this environment, is it any wonder that young Australians feel as though they are never going to be able to save the deposit for a home? How do you save a deposit for a
home when rents are higher than they have ever been before?

We have seen that this government is very quick to point the finger; it is always someone else’s fault. In this case, the government is very quick to blame the states. But let us just have a quick look at what some of the states have done. Mind you, all the states have done something to help with home affordability—but not the federal government. Victoria have spent $510 million on public housing in the last budget. They have cut land tax and made more people exempt from it. Land tax is being paid at a lower rate. They have stamp duty exemptions for owner-occupiers buying properties worth less than half a million dollars, and they have an extra first home buyers grant of another $4,000. Western Australia has a shared equity scheme, worth $300 million, where the government will purchase 30 or 40 per cent of the home with the homebuyer and the homebuyer can later buy that back from the government. That is to help people into home ownership. Western Australia have more community housing and they are fast-tracking land development applications. In Queensland you see the very successful Brisbane Housing Corporation. There is also a proposal from the Queensland government for a scheme called Homelink, which very specifically has all three levels of government working together on housing affordability. But do you think the federal government will come to the party on this? No. It is someone else’s responsibility.

All these measures help, but at the end of the day the thing that is driving Australian families onto the breadline are interest rates. The Minister for Families, Community Services and Indigenous Affairs was sitting on the front bench while his Prime Minister was talking, saying, ‘It’s nothing to do with interest rates.’ Actually, it is something to do with interest rates, because, if you look at the figures, you will see that Australian families are paying a bigger proportion than ever before of their family income on mortgage repayments. And, do you know what? They are paying a bigger proportion of their family income on interest repayments than they ever have before.

Mr Downer interjecting—

Ms PLIBERSEK—Yes. The Minister for Foreign Affairs is such a genius. He says, ‘That’s because houses are more expensive.’ Actually, we are talking about the problem of housing affordability, so, yes, the fact that houses are more expensive does relate to that—genius, bingo, well done!

Australian households are now spending a record 9.3 per cent of their disposable income just on paying the interest on their mortgage repayments. Let me say that again, because the Minister for Foreign Affairs was yapping away and might not have heard it: Australian families are now spending 9.3 per cent of their family’s disposable income just on paying the interest on their mortgage. When mortgage interest rates were at their highest point in September 1989, guess how much families were paying of their disposable income on interest payments? They were paying 6.1 per cent. So families are paying a greater proportion of their family income now than when interest rates were at historical highs.

We have seen four interest rate increases since the last election. Do you know what that has added to the average loan? If you take a loan of $450,000 over the course of 25 years—which is pretty reasonable—then the four interest rate increases since the last election alone have added $88,000 to the cost of that property over the course of repaying the loan—$88,000 from those last four interest rate increases alone!

I will tell you what else is happening. Because of this enormous pressure on families,
from this enormous housing affordability problem that families are facing, we have seen the emergence of low-doc/no-doc lenders—we have seen dodgy lenders emerging. We have seen that sector grow from zero to $8 billion over the past 10 years. And do you know what is happening? Those lenders are foreclosing on families much faster than banks do. So we have seen an enormous increase in the number of families losing their family homes—families going bankrupt because of the high cost of housing and their inability to pay these loans. If you have mortgaged to the absolute hilt to afford these extremely expensive houses—which the foreign affairs minister thinks is so great—then even the tiniest little increase in your interest repayments might send you over the edge.

Mortgage defaults have doubled in Sydney since 2002. In fact, last week we heard evidence before the Senate Standing Committee on Legal and Constitutional Affairs from Terry Gallagher, Chief Executive of the Insolvency and Trustee Service Australia. He said:

You could go back 10 or 15 years, when bankruptcy numbers were 13,000 a year, and now they are 30,000 a year.

And the Prime Minister tells these families, struggling to afford their mortgage, that they have never had it so good! I do not think those 30,000 families a year feel like they have never had it so good.

We have talked about the difficulty that young people find in getting together a deposit for a house. In fact, for many Australians saving a deposit is the greatest barrier. Once they have borrowed the money and bought a house, the repayments on the mortgage are not much more than their rent—the problem is saving the deposit. But how do you save a deposit when, week after week, month after month, we have seen increases in rent? BIS Shrapnel estimates that rents are set to accelerate in the next three years. They are looking at rental growth of 10 per cent per annum in Sydney and six to eight per cent for Melbourne, Brisbane and other capital cities. The government’s response is: that is fantastic, because the market will correct itself and in three years, five years, eight years, 10 years—who knows when—there will be more investment in rental accommodation. The problem is that almost all of the investment in rental accommodation under this government is targeted at the high end of the rental market—it is great penthouses in beautiful locations in the middle of capital cities; it is not rental accommodation that is suitable for low-income earners and it is not rental accommodation that is suitable for families. That is where you are letting Australian families down. So, buying is too expensive, renting is increasingly expensive.

We have seen $2.71 billion cut over the last 10 years from the Commonwealth-State Housing Agreement, so there is enormous pressure on public housing. We have seen emergency accommodation slashed under this government. Its own report is saying we need to see a 15 per cent increase in emergency accommodation just to keep the doors of existing services open and more like 40 per cent to begin to meet unmet demand. We have the minister for Indigenous affairs, whose brilliant solution to the enormous problems in Indigenous housing is to take money from poor Aboriginal people in cities and give it to poor Aboriginal people in remote areas. God forbid that you would actually take from some other pot of money rather than moving funds from one lot of disadvantaged people to another lot of disadvantaged people.

There is no simple answer to housing affordability. One of the enormous frustrations is that they pretend that there is some simple answer. There is not a simple answer. Of course mortgage interest rates need to stay
low, to bring housing into the reach of first homeowners in particular. But we need to look at innovative ways of helping people into the first homeownership market—things like the shared equity scheme of the Western Australian government. Other governments, including the Northern Territory and the ACT, are looking at that. We need to look at those schemes. We need to make sure that there are enough tradespeople to build these houses, given that this government has presided over 10 years of destroying the skills of the Australian workforce through neglect. We need to look at ways of encouraging investment in rental accommodation to be spread more evenly so that there is rental accommodation at the affordable end of the market as well. We need to look at proposals like the national affordable rental incentive scheme that organisations as diverse as ACOSS and the Housing Industry Association have come together to promote as a way of getting more investment into the affordable housing end of the market. We need to invest more in social housing and homelessness services. All of these are things that the federal government could be doing. Instead, we have a federal government that says, ‘Not my problem—it’s all the states, it’s all local government.’

What I would desperately like to see, and what all those hundreds of thousands of Australians who are under housing stress want to see, is that the federal government would just for once take responsibility, just for once show some leadership in this area. The government say, and they said again today, that it is all about land release. I will tell you what happens if the federal government march into the states and makes them release land in the outer suburbs of Western Sydney or Melbourne. There is a lot of land release already underway there, but if this federal government try to force the states to do mass land release in those outer suburbs, do you know what you will see? You will see those homeowners driven into negative equity. Who does that help? You will see negative equity in those suburbs, but you will not see greater housing affordability across the board.

There is a lot of extra land release underway, and maybe there needs to be more. But in most areas there is a great deal of land already in the pipeline. Lend Lease has said that it has 10 years worth of the land it needs. Michael McNamara, the operations director of Australian Property Monitors, said in the Australian in March this year:

Demand for housing is extremely flat and developers haven’t been able to sell the projects they’ve got, let alone launch new projects—so we totally dismiss the argument that releasing more land on our cities’ outskirts is going to affect affordability.

Here is another one. Peter Icklow, the managing director of major Sydney developer Monarch, said:

Every time I see John Howard blaming land supply (for low affordability) I see red because it’s just not true—there are literally thousands of lots available.

So, what can the federal government do when it comes to land release? They could help out a little with the cost of infrastructure. They have totally walked away from that in the last 10 years. I will tell you what they should not be doing. The most insulting thing to Australian families is this Prime Minister telling them, often with millions of dollars of taxpayer funded advertising, that they have never been better off. We know that an increasing number of families are finding it very hard to make ends meet. They are finding it hard to pay the mortgage, hard to save a deposit and hard to pay the rent. Australian families are experiencing the worst housing stress figures in history, and all this Prime Minister can say is that it is someone else’s fault.
Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (3.38 pm)—I welcome the opportunity to talk in this matter of public importance discussion in relation to the costs of living, because it gives the government the opportunity to talk about an issue which is, of course, very important to the Australian people. It is important to the Australian people because they have costs that they need to meet each week, each month, to balance their budgets in order to provide support to their families. It is an issue that the government are very keen to talk about and to offer a view on because we believe we have been a significant part of providing more affordability, in housing in particular, over the last 11 years.

We have had the capacity to manage the economy well and to bring interest rates down from the 17 per cent highs experienced under Labor. We have had the capacity to manage the economy to reduce taxes so that people can provide more support to their families. In our management of the economy over the last 11 years we have had the capacity to say that we will provide more support for families who choose to use long day care or other forms of formalised child care. This government has provided significant funding for child care and for all those other measures that we are very proud of.

We are very proud of the fact that we have been able to release some of the pressure that applied when Labor was last in government. This debate today really gives the government the opportunity to say to the Australian people that the election that is due in only a few months time will be about who is best able to support those families and small businesses as we go forward over the next decade. We maintain that the coalition will always be better for families, for those in small business and for the balance in the Australian economy and community, because we have a principle of running well-managed economies and providing dividends to families in the interim.

Of course this government recognises that families have debts to pay. They have home loans to pay and credit card debt to pay. They have motor vehicles and school fees and all those other things that go into a family’s budget each fortnight. There are petrol prices to deal with, holidays and those sorts of expenses. The government is the first to recognise that it needs to provide support for families to help them to meet all of those obligations.

I say this is an important debate today because it is an opportunity to say to the Australian people that the next election will be about whether, with the levels of debt that they have today, they can afford higher interest rates under a Labor government. One of the crucial messages that we now understand from the way in which Labor manages the economy not just at the federal level but at the state and territory level, where they have forced up taxes and have gone into debt to borrow on the government’s behalf, which in turn puts upward pressure on inflation and interest rates, is this: can families in our country today, with the levels of debt that they have, afford to return to Labor’s interest rates of 17 per cent? That is the question that the Australian people need to ask themselves in the run-up to the next federal election.

People who at the moment are paying eight per cent on their mortgages—for argument’s sake, if they are paying for an average mortgage of, say, $350,000, in an area like mine that might mean that their current interest repayment is about $2,713 per month. If interest rates were to go up, as they did the last time Labor were in government, if they are elected—let’s be generous and assume that they only go up to 12½ per cent under the ALP, that would mean that their interest payments would increase to $3,882 per
month. By my quick calculations that is an increase of about $1,169 per month. So the question to the Australian people is: can you afford to vote for a Labor government? Can you afford to return your family to 17 per cent or to 16, 15, 14 or even 13 or 12 per cent interest rates, as they were when Labor were last in government?

When we are talking about the very important issue of affordability, not just in housing but also in other costs of living, people need to ask themselves whether the Labor Party would return them to a better position than this government would be able to after the next election. That is a crucial point that needs to be underscored. This government has been about managing the economy well so that we can return dividends to the Australian people. We know that people in this country have levels of debt and that they need to service those debts; we know that they have obligations to raise their children, to send them to school and to meet all of those costs. We respect all of that but we say to you, when considering the opportunity at the next election to cast your vote, if you take the decision to cast it for the Labor Party what will that mean for your family’s household budget?

Much has been said today by those opposite, including the member for Sydney, about housing affordability and about the way in which house prices have increased in this country over the last three or four years in particular. No mention was made by the member for Sydney about the role of the state governments in that very important issue of housing affordability. No mention was made by the member for Sydney about the way in which some of the green policies of some of the state and territory governments have tempered some of the supply of land and how that, in turn, has forced up the prices of land. Nobody from the Labor Party has mentioned in this debate about how in some states planning schemes are imposed on local council authorities and about how other taxes and levies need to be raised by councils to meet their obligations under state government legislation, all of which adds to the end cost for the consumer.

If we are going to have an honest debate about housing affordability and the cost of living in this country, we need to recognise how it is that Labor at a state level have managed these issues over the last decade or so. When you take a close inspection of the way in which Labor have managed their state economies, the way in which they have pulled back on the supply of some land, you need to recognise that that is what is causing some Australian families pain out there in the community this very day. The member for Sydney referred to developers as being happy with their land stocks, not being happy at seeing any more land come online. Has she asked herself why that is so? Has she said to herself: ‘I’m a socialist, but I have to try to understand some basic economic policy’? Perhaps it is because the developers are happy for land prices to remain high, for supply to be pulled back so that they can maintain those high prices.

The thing that people should know about Labor is that 80 per cent of them come from a union background. Nobody in the Labor Party has made any real effort to employ people and, as they proved when they were last in government, nobody in the Labor Party has the capacity to manage the economy well. The majority of the Labor Party—80 per cent of them—come from a union background, where they have never employed anybody and never had a job outside of the union movement. In the run-up to this election, they ask the Australian people to believe that they are now ready to manage the Australian economy. Let us imagine that Labor were elected at the next election, and the Labor government cabinet first met to
talk about economic policy. When you look around the cabinet table, you see that they have five former ACTU bosses, and the balance of the people have never had experience in small business, never had experience in employing staff. Can anybody for a moment believe that that assemblage of union hacks would have the capacity to make good economic decisions in the best interests of Australian families? Does anybody in small business today believe that the reintroduction of unfair dismissal laws by the Labor Party or a return to control by some of the union hacks and lunatics in the union movement would be good for small business? Does anybody in small business, in particular, believe for a moment that the Labor Party would create opportunities for business to grow?

When you look at Labor’s record on unemployment, you see that when they were last in government unemployment was in double digits—it was over 10 per cent. One million people were in the unemployment queues in this country due to the economic policies of the Labor government. If we want to have a serious debate in this parliament about affordability, about the cost of living, let me say to those opposite—in particular, to the member for Sydney—that somebody who is unemployed; who is forced out of a job because the economy turns sour, as it did under Labor; who does not have the opportunity to own their own home; who is lining up in the dole queue—there were one million when Labor was last in government—who does not have the capacity to put their children through education, which they might want to afford themselves of; who does not have the capacity to create wealth by saving for their retirement, or to create a better position for their family, feels the pressure of higher petrol prices and the pressure of all of those taxes that are passed on to small business. And somebody who was in the unemployment queue when Labor were last in government would realise that the Labor Party do not stand for helping families in this country with respect to home affordability.

The Labor Party really contributes to people’s capacity not to be able to afford housing. The Labor Party, through its bad economic management, now contributes at a state level—as it did previously at a federal level—to people being priced out of their homes, to people not being able to afford to run their cars or to small businesses not being able to afford to expand. All those points need to be reinforced to the Australian people, as they are approaching a very serious time in this country’s history and they will be reminded about them in the run-up to the next election.

I also want to talk today a little about petrol prices and to say to the Australian people that the government does understand the difficulty when the prices of petrol rise. We do understand that families, which need to fill the family car to run the kids to sporting events, or people who need to travel distances to work, or people who just want to take their family to the beach or to a movie on the weekend, have expensive costs in running their cars and filling them with petrol when it is at a higher price. We do understand that. The reality, though, is that those opposite, on occasion—in a moment of honesty—have recognised that petrol prices are largely out of the control of the federal government. Petrol prices are determined by international factors. If petrol prices increase, the government does not benefit. From a federal government perspective, if the price of petrol is $1 a litre and it goes up to $1.30 the revenue that flows to the Commonwealth remains the same.

The point needs to be made that we do recognise the difficulty that families face in relation to petrol. We do recognise the difficulties of people who have high levels of
debt because they have purchased a new house, put an extension on or accessed equity in their home. We do recognise that they have expenses. But what we say to Australians who find themselves in that position is: if you were in the position that you are in today 10 years ago, when Labor was last in power, you certainly would not be able to afford to stay in your own home and you certainly would not be able to afford to maintain the lifestyle that some people are able to maintain today. We have cut taxes in this country. We have brought down unemployment and interest rates in this country. We have managed the economy well so that we can return benefits to the Australian people.

When we talk about good management of the Australian economy, people need to recognise that if Labor is elected at a federal level then all that we know today about the Australian economy would be at grave risk. We say to Australian families and to people in small business that the Labor Party are dominated by, and answerable and accountable to, the Australian union movement. The election of a Labor government would be a bad outcome for them and for the future of this country. This MPI moved today by the Labor Party is a farce. It is a joke. If they were serious about these issues then they would confess their own failings when they were in government and come out and criticise state governments—who are solely responsible for the way in which housing prices have increased in this country. What we know about the modern Labor Party, at both a state and federal level, is that they do not have the capacity, the wit or the understanding to manage the Australian economy.

(Time expired)

Ms VAMVAKINOU (Calwell) (3.54 pm)—The matter of public importance today is about the Howard government’s refusal to acknowledge and address the huge rises in the cost of living. Having listened to the member for Dickson, I can only say that his understanding of the rising cost of living is very lame and pitiful indeed. I welcome the opportunity to speak to this matter of public importance. I am frequently asked by residents living in my electorate of Calwell—and I imagine that the same holds true for all members in this place, including the member for Dickson; I am certain that he gets asked this question as well—why it is that, at a time when Australia is supposedly experiencing strong economic growth, more and more Australians are finding it harder and harder to make ends meet. If the Australian economy is doing so well, why are so many working families struggling just to keep their heads above water?

The Howard government never tires of telling us that Australia’s economy has never been in better shape—a message that it repeats here on a daily basis and will certainly take to the next federal election. But at a time when Australia has supposedly become more prosperous as a nation, what this government continues to overlook is that many working families are finding themselves under growing financial pressure and are just simply managing to get by. The reason for this is simple yet entrenched: the cost of living today has far outstripped any growth in household disposable income, and the Howard government has proven itself either unable or unwilling to do anything about this. Everything today has become more expensive. Petrol prices have risen by over 40 per cent since December 2001, biting into household budgets in a way that is simply unsustainable for working families. Instead of giving the ACCC the teeth it needs to get to the bottom of petrol pricing in Australia by directing it to conduct a formal price inquiry into petrol prices, the Howard government has been content to go along with a
‘name and shame’ campaign that has gone nowhere and has all but been forgotten.

Like petrol, the price of basic groceries has gone up sharply. Taking a trip to the supermarket is more expensive now than it ever has been. The cost of buying food continues to rise daily. Child care, health care and dental care are all less affordable. Personal debt levels are at record highs. Of course interest rates have risen despite John Howard’s promise to keep them low. Job security is disappearing as the Australian workforce undergoes casualisation and as WorkChoices takes effect. First-home buyers are spending on average more than 30 per cent of their disposable income on mortgage repayments. House repossessions are soaring and there is a housing affordability crisis continuing for new homebuyers. The list goes on. All of this has happened under John Howard’s watch, and all of this has made life close to impossible for many working families across Australia.

Following on from the member for Sydney, who spoke about housing, I would like to concentrate on the rising costs of child care, dental care and education. The degree to which working families are able to afford basic services like child care and health care gives us a strong indication of the level of social prosperity in Australia. Measuring social prosperity is a way of determining whether all Australians are sharing in the dividends of a healthy economy. Access to affordable and adequate health care, to quality child care and education for our children, and to other services like these plays a crucial role in supporting the quality of life that every Australian wants both for themselves and for their children. How affordable and accessible services like child care and health care are tells us how well the Howard government is doing when it comes to converting Australia’s economic prosperity into social prosperity, and whether our strong economy is making life easier for working families across Australia.

To build social prosperity you need to reinvest money back into the community and into those community services that help support our standard of living. Without social prosperity, economic prosperity begins to sound very hollow indeed. Statistics suggest that the Howard government’s record is less than exemplary on this matter. Over the last decade, the cost of child care has risen by 126 per cent in my home state of Victoria. Each year, childcare costs rise by an average of over 12 per cent. According to the Australian Bureau of Statistics, since December 2001 alone childcare costs have increased by a massive 82.5 per cent. To put this in perspective, this increase in the cost of child care over the last six years is nearly six times the consumer price index average of 14.8 per cent over the same period. Today, the average cost for child care in Victoria is somewhere in the vicinity of $240 a week, with many parents having to pay a lot more. The net result of all of this is that increases in childcare expenses are far outstripping any growth in household disposable income, pricing many families out of the childcare market altogether. Since 2001 childcare affordability has plummeted by over 50 per cent. Despite all logic, the Howard government continues to deny that there is a childcare crisis in Australia, and it has done very little to fix the problem. As working families continue to raid their household budgets to pay for child care, the Howard government is telling those working families that they have never had it so good.

When it comes to dental care, the picture is even bleaker. The Howard government has had 11 years to fix Australia’s public dental health system. All the government has done in that time is to play the blame game—pointing the finger of responsibility at state governments in an attempt to wash its hands
of any responsibility for the state of Australia’s failing public dental health system. We have not forgotten back in 1996 that it was John Howard who ripped $100 million of Commonwealth funding out of Australia’s public dental health system when it scrapped the Commonwealth dental health program. It was a Labor government that introduced the Commonwealth dental health program in order to channel much needed Commonwealth funds into Australia’s public dental health system, and it was John Howard who decided to scrap this program. After 11 years of neglect and chronic underfunding by the Howard government, there are now over 650,000 Australians on public dental waiting lists across the country.

In my own electorate of Calwell, waiting lists for public dental care have blown out to over 30 months. Nationwide, up to one in 10 visits to a GP are related to dental problems and more than one in five Australians are going without recommended dental treatment because it is too expensive. Dental conditions account for a quarter of all hospitalisations for children and in the vicinity of 50,000 Australians are now hospitalised each year for preventable dental conditions. Why is this so? Because going to the dentist today means raiding the bank for an overwhelming majority of Australians. Families simply cannot afford to pay for regular dental health checkups or expensive dental work and they have absolutely no hope of accessing subsidised public dental care services in a timely fashion.

Education does not fare much better under this government. Whilst education spending has increased on average by 48 per cent among OECD countries, in Australia it has fallen by seven per cent since John Howard became Prime Minister. Similarly, whereas higher education spending per student has gone up on average by six per cent among OECD countries, in Australia it has fallen by six per cent. Under John Howard’s watch, Australia has tumbled to last place among OECD countries when it comes to investing in early childhood education. Commonwealth recurrent funding for Australian universities stood at 0.9 per cent of GDP in 1996. Even after factoring in the education announcements made in this year’s budget, recurrent funding to universities will still only make up 0.6 per cent of our GDP. This gives some indication of how bad the Howard government’s funding record for education has been over the last decade.

The point of all this is that working families, especially young students, have had to take up the slack for the Howard government’s negligence. Today education costs and it often costs an arm and a leg for many young Australians and for many families. Students face rising HECS fees and record levels of HECS debt. In my electorate of Calwell alone, students owe a staggering $58.5 million in HECS debt. After the budget, HECS fees for students studying accounting, economics or commerce will climb even higher. There was no reprieve in the budget this year for students in their HECS fees.

The 2007 budget provided the government with an important opportunity to make a significant investment in services such as aged care, child care and health care that are crucial to maintaining living standards in Australia and to find ways to help working families fight the burden of today’s rising cost of living, but the Howard government missed this opportunity. It has failed to provide any real or sustainable long-term relief for countless working families who are struggling to keep their heads above water and the basic cost of living continues to rise unchecked. (Time expired)

Mrs HULL (Riverina) (4.04 pm)—Mr Deputy Speaker, have you ever sat in a meet-
ing, listened carefully to every word and then gone out of that meeting and heard somebody else’s account of it and wondered whether you had been in the same room? That is how I feel when listening to the allegations that have come as a result of this matter of public importance put forward by the member for Sydney. There were allegations of reducing options for employment when our unemployment rate has fallen from 8.2 per cent to 4.5 per cent, an all time 30-year low. Other allegations were that wages have been reduced. Rubbish! The truth is that real wages have increased by 20 per cent—that is a fact. It is also a fact that the Australian economy is in the longest expansion since Federation in 1901 and, as a result of this growth, over two million jobs have been created. I cannot understand some of the rhetoric or how it has been collected. An opinion piece by the member for Sydney in the Sydney Morning Herald today, which obviously gave rise to this matter of public importance, mentions the four successive interest rate rises.

Let me just say to you that a report from the Reserve Bank of Australia noted that the new mortgagee today is better off compared to when standard variable interest rates were 17 per cent in 1989 under the previous government. That is a significant factor that needs to be recognised. There is a myriad of information here that I could dispel and it is sad that we only have 10 minutes, because I could go on for hours on this issue. We also have the RBA Financial Stability Review for March 2007 that said:

Overall, the household sector remains in good financial shape, which is not surprising given the ongoing strength in the economy.

And our household finances are supported by ‘continued strong employment growth, with the unemployment rate at around 32-year lows, strong growth in household income and a substantial increase in the wealth of the household sector’.

What we have to recognise when we look at many of the comments that were made as a result of this report is that households’ financial assets have increased by substantially more than their debt. And, as a result, even though household debt has increased, the net financial position of the household has improved noticeably—in fact, it is true that household wealth has actually doubled in the past 10 years, which again makes me feel that I must have been in a different meeting room.

Under this government, the nominal wealth of households has increased by almost 10 per cent per annum. The major factor behind the increase in the proportion of our income that has been devoted to mortgage repayment is that low interest rates and a strong domestic economy have provided home buyers with the confidence that they never had under the previous Labor government, when you had a 17 per cent household interest rate. And home buyers now have the confidence to go out and buy bigger and better houses because they can afford to service larger mortgages. And that is a choice. Nobody forces anyone to buy a bigger or better house. But the choice is there. There is now an obvious choice, and that has been available to all Australians due to the financial management of this government.

In her opinion piece in today’s Sydney Morning Herald, the member for Sydney spoke, as she did in her speech, about:

... an increasing number of homeowners defaulting on loans and losing their homes ...

But when we look again at the facts, at reality, as per the RBA’s Financial Stability Review for March 2007, it is truly stated that:

The bank home-loan arrears remain at levels well below those seen in earlier periods, indicating that the majority of mortgaged households do not
appear to be experiencing difficulty in meeting their debt servicing requirements.

The RBA goes on to say that:

Overall, the ratio of non-performing loans remains lower than at any time in the 1990s and low by international standards.

We also have Moody’s Investors Service reports saying that the record low unemployment rate has ensured that, while some Australian borrowers are coming under increased pressure, the absolute level of defaults and personal bankruptcy remains low.

Mr Price—They’ve never had it so good!

Mrs HULL—Never let the truth get in the way of a good story or a good MPI, Chief Opposition Whip! Let us look at the facts regarding first homeowners. It is a fact that the First Home Owners Scheme was brought in by this government to enable Australians to be able to gain their own houses.

Ms Plibersek—Prices have doubled since then. Prices have doubled!

Mrs HULL—The member for Sydney does not like anything that may be coming out that may just be factual rather than a slight case of fiction. But we must agree that the First Home Owners Scheme has assisted over 973,000 Australians to purchase their first home since 1 July 2000, with over $7.2 billion worth of grants being distributed to date. The states love to take credit for, but never put money toward, the billions of dollars worth of grants.

A problem has been highlighted. But it was not highlighted by the member for Sydney in her address to the parliament. It has actually been highlighted that, yes, we have these increasing numbers of people owning their homes, but do you know what the problem is? We have found that the problem is, as the Property Council of Australia believes, that government taxes and charges are now the second-highest costs faced by new home buyers, behind construction costs. Do you want to know who leads the field in government taxes and charges? It is the state governments. I quote from an article in the Australian on 21 March 2007:

State governments are driving Australia’s housing crisis.

That was not mentioned in the member for Sydney’s address to the House—that the wall-to-wall Labor state governments are driving the housing crisis:

... with stamp duty on residential conveyances alone tipped to hit $8 billion by 2007-08.

The article goes on to say:

Taxes on a typical house and land package have grown—‘have grown’; not ‘are’ but ‘have grown’—... by an average $77,000 in the past six years.

Ms Plibersek—What’s the GST on that?

Mrs HULL—It is not $77,000; it has actually grown by $77,000, Member for Sydney. You have failed to highlight those little things that the Labor governments are responsible for.

Honourable members interjecting—

The DEPUTY SPEAKER (Mr Jenkins)—Order! Members on both sides will cease interjecting.

Mrs HULL—And, in particular, the article goes on to say:

In Sydney’s fast-growing northwestern suburbs—the member for Sydney should take notice of this—the increase is not around $77,000—... the increase is more like $115,000 ...

Let me repeat: that is not tax of $115,000, it is an increase of $115,000—... the highest of any region in the nation.

We have a significant problem with the way in which we present our evidence in this House—the evidence is selective, and carefully chosen so as not to implicate the state governments as any part of the reason householders are having difficulty. Yet it is
the costs that are put upon them by the state government that are the reason. Here is the Commonwealth providing people with an incentive and the ability to be able to go and purchase their new home, and here are the state governments knocking them off. (Time expired)

**Mr Windsor** (New England) (4.14 pm)—I would like to address a number of issues, the first of which is fuel prices. If the government needed a clear indication of why it is slipping in the polls, it was given today by the Assistant Treasurer. The argument continually put up by the Prime Minister and others that the price of fuel in Australia is driven purely by international factors is an absolute farce. The member for Macarthur and, I think, the member for Lindsay have highlighted in the press in recent days some of the difficulties they perceive in terms of the coalition getting its message through to its constituency—and this is being compounded daily in this place. It is not my duty to advise the coalition, but I would suggest that they start listening to what people are saying to them. The price of fuel and its impact on the cost of living is a very real issue in the broader community. It is not right for the Prime Minister, the Assistant Treasurer or anybody else who talks about it in this place to say that this is purely about international factors. Time and time again, the NRMA and other organisations have spoken about the taxation component of fuel prices in Australia. The taxes are about 51c a litre at the moment—the excise is 38c and the goods and services tax is 10c or 11c. I know that the goods and services tax goes to the states and they are probably abusing the money et cetera, et cetera—we have heard all those arguments—but the artificiality of that component in fuel pricing in Australia, which we can do something about, has an impact on the cost of living.

The argument put is that we have to collect that money so that roads, railways, bus stations et cetera can be fixed, but only 12c of GST and the Commonwealth component of 38c is spent on anything that vaguely resembles a road or rail network. I suggest to the government that they look very closely at this. Particularly in an era of surplus budgets and a boom period—and I congratulate them on running a surplus budget—there is room to move on this issue. It will have a positive effect in voterland and at the browser, and it will have a flow-on effect on the cost of living.

The government sends mixed messages on the renewable fuel industry. I will not labour that particular issue, but we have the absurd situation whereby we are getting the message almost daily in the parliament that the government is very concerned about renewable energy, carbon trading and global warming et cetera. The rhetoric is good but people do not believe it because we have other strange messages coming through the system—such as that, in 2011, if you produce renewable fuel in this country you will be taxed. Rather than putting in place incentives that send the economic message—which in my view the Treasurer has in the past always been good at—we are getting a mixed message now. The carbon debate is taking place. At the end of the week, a report will be received. Landholders—the farm sector—are not involved in the resolution of the carbon problem in Australia; they are not included at all.

Another issue I want to raise is the impact of the cost of living on pensioners. I am sure that all members have people coming to their office saying that the indexation process—the way the pension is increased—is not keeping pace with the cost of living. I think that is a fact. Maybe other people can convince me that it is not a fact, but it is not me they have to convince; they have to convince the people who are sending that message.
Those people have made a positive contribution to the development of the nation. In a boom, where we have a budget surplus and some excess funds, surely those people are entitled to a share. I recognise that the government is keeping them on a string with $500 here and $500 there, but that is not good enough in terms of providing them security into the future and true indexation of their cost of living. Those things can be looked at, and again I congratulate the government on their economic management, but the message they are delivering to the constituency is not what the constituency want to hear and it is not one the government can deliver. (Time expired)

Mr KEENAN (Stirling) (4.19 pm)—This is a typically silly MPI from the ALP. Even though we have an economy that has been expanding rapidly for the past 16 years, it has been accompanied by a historically low rate of inflation. Today in the House we have heard opposition speakers attacking the government on issues that, realistically, are largely outside of the government’s control—and not once did I hear them outline what they might do differently if they were in government. The reality is that, for the past 11 years, the Howard government has pursued responsible economic policies that have delivered economic growth without the accompanying large increase in prices. Indeed, real wages, which reflect people’s purchasing power, have actually risen by 20 per cent.

Sadly, there is a political party in this House which does not pursue policies that would continue these same results. Mr Deputy Speaker, do you know what would put pressure on the cost of living? Do you know what would drive inflation up? Pattern bargaining. If we were to turn back the clock on industrial relations reform, that would drive up the cost of living. ALP members come into the House crying crocodile tears about the cost of living, whilst supporting an industrial relations system that would put heavy upward pressure on inflation—policies that would put extra pressure on families in my electorate of Stirling. This is an IR policy that would drive a stake through the heart of the Western Australian economy. If the members opposite actually cared about inflation and the cost of living, they would immediately repudiate their job-destroying IR policies that would drive up prices.

Members opposite spend most of their time talking about the increased cost of housing. But what would the abolition of the Australian Building and Construction Commission do to the cost of housing? What would abolishing the only thing that stands in the way of a return to lawlessness on building sites around the country do to the cost of housing? What would a return to the thuggery of the CFMEU do to the cost of housing? When Kevin Reynolds and Joe McDonald get their hands back on building sites around Perth, as they are fully expecting to do if a Rudd Labor government is elected, you can expect housing prices in WA to skyrocket.

The biggest determinant of the cost of living is housing prices. Basic economics tells us that high land prices are ultimately dependent on the supply and demand of land. That means that they are ultimately dependent on the planning policies pursued by state Labor governments. I come from Western Australia, where housing affordability has become critical. In Western Australia, the tax-gouging state Labor government, with its record stamp duty revenue windfall, has an insatiable appetite for public money. I would not be so outraged about this if it actually did something with its taxpayer funded windfall.
But the state Labor government does not build anything or do anything; all it ever seems to do is run around the state blaming infrastructure shortfalls on the federal government. It takes its taxpayer funded windfall and employs more public servants. I would not be so outraged if they were police, nurses or teachers. But what it does is employ more administrators and more ministerial staff.

Planning policies are a key determinant of housing affordability. Coming from Western Australia, I note there is something perverse about a state as large as Western Australia—not obviously a state that is short of land—having such a housing crisis. The state government continues to fail to provide the conditions for more land to come onto the market. It is the policies of the state Labor governments around the country that are increasing the cost of land and putting upward pressure on the cost of living. The reality is the best way to control inflation and keep the cost of living down is to do the hard years on managing the economy. It is to pay off debt, which relieves pressure on interest rates. It is by providing tax relief, which means people can spend more of their hard-earned cash.

Mr GIBBONS (Bendigo) (4.25 pm)—Many industrialists and governments in the Western world now recognise and acknowledge that it is people who are the new engine of success—but not the Howard government, who are doing the exact opposite to what this nation needs. I now refer to a new source of competitive advantage. Most people equate successful companies with increasing profits, improvements in productivity, product quality, excellent services, access to low-cost finance, being in the right industry at the right time and being able to respond quickly to changes in consumer and market demand.

But, as Burud and Tumolo highlight in their excellent book Leveraging the New Human Capital: Adaptive Strategies, Results Achieved, and Stories of Transformation:

Like it or not, people are the only way to achieve these outcomes through their creativity and knowledge, their relationships with customers and co-workers and their professional networks.

These have long been critical questions for leaders and managers of organisations. Many of the answers have been and continue to be dismissed as ‘soft’ or ‘intangible’ by the majority of business leaders. The quality of the information available today, backed up by many years of solid and sophisticated research from around the world, cannot be ignored, particularly given the fact that intangible assets, such as people and their
skills, product brands and technology represent approximately 70 per cent of the market value of most publicly listed companies.

Before I proceed to talk about what the research evidence tells us contributes to employee motivation, engagement, creativity and productivity, I would like to list some of the factors that we know have exactly the opposite effect. Most are embedded either in this government’s Work Choices legislation or in these new so-called safety net amendments, with many solutions deemed as being either prohibited or non-allowable matters.

As I said earlier, whoever dreamt up this legislation and these changes has done Australia and its economy a major disservice. It is the typical Liberal, born-to-rule and lazy way of implementing conservative, misguided ideology. Just some of the factors enshrined in the original bill and in these amendments that do not help include issues of trust, being treated and rewarded fairly and having good workplace relationships and open two-way communication. These factors are consistently mentioned in most, if not all, research and management literature as being critical-to-success factors.

So how does Work Choices help create these success factors? The short answer is: it doesn’t. In fact, it does the exact opposite. It actually legislates unfairness. It allows unfair dismissal with no reason needed, and that affects over four million Australians. It allows dismissal of the rest of the workforce for any so-called operational reason. So much for trying to balance fairness with the need for flexibility!

It sanctions employers locking out their staff without notice. So much for open two-way communication! It does not trust workers to have a ballot of their own choosing. It is designed to prosecute trade unions and their officials, who are elected representatives, for carrying out their legitimate role. It allows for the removal of a range of pay and conditions and for a reduction in real take-home pay.

It says, ‘You don’t need or deserve a meal break.’ It removes independent vetting of agreements. So much for fairness! What it says to Australia’s working men and women is: ‘Your government and your employer don’t trust you or your paid and elected union officials.’ It says: ‘We don’t care if you are dismissed or paid unfairly. In fact, we’ve actually made it legal to do so.’ It says: ‘We expect employees to give their mind, body and spirit—but don’t expect fairness in return. You’ve had it too good for too long and it’s back to the master-servant relationship for you.’ This is precisely the wrong recipe. It is a recipe for economic stagnation, a recipe driven by misguided ideology, not by the considerable evidence available regarding what is required to achieve productive workplaces and therefore gain the much needed productivity increases that we as a nation so desperately need.

There are numerous acknowledged researchers and authors I could quote regarding the evidence about what is needed. One in particular is Professor Jeffrey Pfeffer, who is professor of organisational behaviour at Stanford University Graduate School of Business as well as visiting professor at Harvard Business School and visiting professor at the London Business School and the Singapore Management University. He has studied business and organisational behaviour for 30 years, is the author of 11 books on the subject and has taught at executive seminars in 28 countries, including Australia.

Professor Pfeffer cites evidence from a five-year detailed study of companies from a diverse range of industries which indicates consistent productivity gains in the order of 40 per cent by implementing what are known as high performance or high commitment
management practices. Evidence indicates that these outcomes are achieved because of the ‘set of practices that are grounded in sound social science principles and have been shown to be effective by a great deal of evidence.’ The research shows that increased involvement, and control and trust through self-directed work teams, encourage people to work harder. The building of skills and, just as importantly, facilitating the efforts of people in applying their wisdom and energy results in people working smarter. Information sharing and empowerment leads to a reduced need for the costly overheads associated with supervision and an alienated workforce in an adversarial relationship with management. Such research and its implications cannot be ignored—they are too significant and important for Australia’s workplaces and our prosperity. As a society and an economy, we must shift our view of workplace relations away from the adversarial focus of Work Choices to an approach based on comprehensive research and the evidence it provides which encourages engagement, motivation, innovation and excellence—in other words, high-performance workplaces.

There are many examples of research that identify the key elements that contribute to excellent workplaces, including research based in Australia from both the private and public sector. The results of one such study published in 2003 directed by Dr Daryl Hull of the University of New South Wales sought, with support and funding from the Business Council of Australia, to identify the factors which differentiated ‘excellent’ from ‘very good’ workplaces in Australia; note: not the good workplaces from the bad but the excellent from the very good workplaces. The criteria for excellence were based on previous research by the Business Council and include: being world-class; high-performance, including outstanding business performance; competitiveness; innovation; flexibility and adaptability; fair and equitable pay and conditions; an open management style; ethical behaviour; and where training and learning were promoted.

A wide range of workplaces were studied across various industries and locations. The research concluded that quality working relationships were the ‘central pivot’ underpinned by a total of 15 key drivers that the authors believe were identifiable, quantifiable and manageable. Some of the key drivers appear to be significantly at odds with the Work Choices legislation and the ideology espoused by the Howard government and certain representations of the Business Council. They include fair pay and conditions; being safe, both physically and psychologically; clear values, including information sharing and an understanding of the individual behaviours expected; and high-quality working relationships where managers and team leaders acted as captains and coaches. The authors also emphasised the importance of trust and how the issue of trust was constantly raised.

The finding of this research and its report are most enlightening, given that it was a study of what the key drivers of excellence in Australian workplaces are. The report also identified some of the factors that were not impediments to achieving excellence—and one of those was trade unions. The report clearly highlights that unionised workplaces could achieve excellence. Given that the Howard government, its Work Choices legislation and some of the government’s key supporters attempt to demonise unions on a daily basis, I would like to again quote Professor Jeffrey Pfeffer from his book Management 2.0, which is due to be published later this year. Professor Pfeffer has kindly given permission to quote his work. His observations about trade unions include the following:
If there’s one word that never fails to raise the blood pressure of my friends in business, particularly in the United States but actually all over the world, that word is ‘unions’.

In the minds of many people, organized labor is the arch enemy of the basic prerequisites for economic success—flexibility, efficiency, and a relentless emphasis on business results. Even presumably progressive and liberal people, and even executives in countries with a strong union tradition, see unions as anachronisms in the modern world. Of course, people will sometimes admit that organized labor may have been important and useful in earlier, less enlightened times and acknowledge the role of labor organizations in promoting workplace safety, outlawing child labor, and limiting working hours. However, with these reforms now thoroughly institutionalized in both law and custom, the advocacy role of unions seems less valuable.

Professor Pfeffer continues:

Like much conventional wisdom, however, the prevailing views about unions are often inaccurate or incomplete. So, it’s useful to set the record straight so that organizations and their leaders can make better and more profitable decisions.

Consider first the effect of unions on wages. Yes, there is evidence that unions raise wages—that is, after all, their primary reason for existence. But higher wages do not necessarily translate into either lower profits or diminished competitiveness... in competitive market positions, there is essentially little or no union effect on company profitability.

There is currently a lot of discussion about the implementation of a ‘high road’ competitive strategy in which advanced industrialized countries stop trying to compete on the basis of labor costs—a battle they can never win—but instead compete on the basis of innovation, productivity, and brainpower. In this effort, the evidence suggests that the implementation of high performance work practices is useful. So, another issue is how unionization affects the implementation of the best human resource management approaches.

Contrary to what many people seem to believe, having a unionized workforce is not antithetical to the implementation of so-called high commitment or high performance work practices—things such as investment in training, working in self-managed teams, longer term time horizons for the employment relationship and more job security, information sharing, and so forth. Rather, the empirical evidence suggests that unionization is positively associated with the implementation of high performance work practices and makes changing to a ‘high road’ management approach more likely and easier. At worst, unions have no effect on the implementation of these practices, but there is almost no evidence that suggests they have a negative effect.

There is a range of issues that Professor Pfef fer continues with. But, clearly, the internationally renowned experts have proven that driving down workers’ wages and conditions actually has a negative effect on productivity, yet the Howard government persists in implementing its misguided ideology and born-to-rule syndrome by introducing the most draconian workplace relations system the nation has ever witnessed. The Howard government way is the lazy way. There was not the slightest attempt from this government to research and implement modern human resource management techniques—techniques that have a proven track record of lifting productivity resulting in higher profits for businesses and higher wages and better conditions for Australian employees.

With the Work Choices bill and these amendments, the Howard government has again proven that it is trapped in a time warp. It is locked into the lazy, miserable, mean-spirited conservative philosophy of the born-to-rule elite, and this has the potential to severely restrict our growth as a nation. If anyone needs any further proof of this government’s misguided and distorted view of the world they need look no further than its attitude to Australian trade unions. (Time expired)

Mr BARTLETT (Macquarie) (4.38 pm)—I rise to support the Workplace Relations Amendment (A Stronger Safety Net)
Bill 2007. It enhances and strengthens the safety net for Australian workers. The central feature of this legislation is the fairness test, which guarantees that when workers enter into a workplace agreement it will be a fair one. It will guarantee that any protective conditions traded off will have been fully and fairly compensated, as they usually are, in higher wages. This will be examined by and will need to be approved by an independent statutory authority, the Workplace Authority. Further, the Workplace Authority will ensure compensation in any case where an AWA is not deemed to be fair and will require changes to agreements to ensure that they are. The work of the Workplace Authority will be backed up by the Workplace Ombudsman—if you like, a workers’ watchdog—also appointed by the Governor-General. This is in contrast with Labor’s proposed Fair Work Australia, which would be manned by the unions, run by the unions and operated for the unions.

This legislation will ensure the best of both worlds. Firstly, it will ensure strong protection for workers to ensure a fair deal, to ensure that they are no worse off under any agreement; and, secondly, it will ensure a continuation of the flexibility of Australian workplace agreements, which have delivered productivity increases and pay rises and which have allowed workers and employers to negotiate mutually agreeable arrangements that suit their own family needs, study needs et cetera.

It is worth pointing out—and these are not my statistics but the statistics of the Australian Bureau of Statistics—that people on AWAs are earning, on average, nine per cent more than people on collective agreements, and a massive 94 per cent more than people on awards. This legislation provides protection but still allows the flexibility that has increased productivity, will continue to increase productivity and will ensure those ongoing pay rises.

It is also worth pointing out the record and comparing it with the claims and the scare-mongering that we heard from the Labor Party and the union movement 18 months ago when this legislation was introduced. First of all, they said that, by ending the unfair dismissal laws, we would see mass dismissals, that there would be rising unemployment and that workers would be put off just at the whim of employers. The member for Rankin might not agree, but that was clearly the message from the opposition and from the trade union movement.

What have been the results in the past 15 months? The results are an absolute denial of the claims that we heard from those opposite. Since March last year, 326,000 new jobs have been created. Ninety per cent of those are full-time jobs, thus ending the casualisation of the workforce that had been going on for some time. Unemployment is down to its lowest level in 33 years, down to 4.4 per cent, building on the improvements that we have already seen over the past 10 years following the first round of workplace relations changes introduced by this government in 1997—changes that have reduced unemployment, dramatically reduced youth unemployment and lowered the ranks of the long-term unemployed. So much for the scare campaign from those opposite that we would see rising unemployment. We have welcome low levels of unemployment not seen for at least 33 years in this country.

The second nonsense we heard from the other side was that wages would be driven down; that, supposedly, the aim of this legislation was to drive down wages. What has happened? Again, the very opposite. In the last year, wages have risen by 4.1 per cent on average and real wages are up by 1.5 per cent. Compare the record of the Howard
government with the record of the Labor Party that is supposed to be the workers’ friend. In the last 11 years under the Howard government, we have had real average wages rise by 19.8 per cent. What did we have under Labor? We actually had a fall in real wages in the 13 years of Labor—and Labor proudly boasted that they would drive down wages. It could not be a clearer contrast: Labor drove wages down; this government has lifted wages in real terms by 19.8 per cent, faster than inflation.

The other aspect of the scaremongering we heard was that the Fair Pay Commission would somehow erode the wages of workers. What was the first decision by the Fair Pay Commission late last year? A rise in the minimum wage of $27 a week, a rise that stunned even the Labor Party and the ACTU because of its magnitude.

Mr Bevis—To cover 18 months, not 12. Why don’t you tell the truth?

Mr BARTLETT—It was a substantial rise that embarrasses the member for Brisbane—which is why he feels compelled to interject—a wage rise far greater than under Labor. Labor actually eroded minimum wages in real terms in the 13 years they were in office.

The third assertion that we heard from the other side was that there would be widespread industrial unrest, that there would be chaos in the workplace. What have we had instead? We have had the lowest level of industrial disputation since records were kept, since 1913. I see the Chief Opposition Whip coming into the chamber, I dare say, to instruct his colleagues to call a quorum here. So what have we seen? We have experienced the lowest level of industrial disputation since records were kept, in almost 100 years.

The point is this: the government’s workplace policies have been delivering for the Australian people. They have been delivering more jobs, higher wages and industrial harmony. Yet Labor want to roll back these reforms. They want to reverse the changes that are generating more jobs. They want to reverse the changes that are generating higher wages and building industrial harmony. The question has to be asked: why? Why do they want to do this? The answer has to be obvious: they are at the beck and call of their union masters. He who pays the piper calls the tune and that is obviously what is happening.

When Labor’s industrial relations policy started to unravel, we heard the astonishing revelation by the Leader of the Opposition that he had left the details of the policy to the Deputy Leader of the Opposition, the member for Lalor, who had built up this confected policy with the help of Greg Combet. The Leader of the Opposition had left Labor’s IR policy to the Deputy Leader of the Opposition who had left it in turn to Greg Combet of the ACTU.

Why do Labor want to roll back these changes? Because their union bosses are telling them to. They want to roll back AWAs and replace them with common-law contracts. Currently, 747,000 Australians, some 8.4 per cent of the workforce, are on Australian workplace agreements and, as I said, they are earning far more than people on awards and earning significantly more even than people on other agreements. Yet Labor want to roll these back, cut these out, therefore reducing wages and in the process creating havoc in the workplace. They would thereby dramatically reduce productivity, especially in the mining industry. We have seen the Australian Mines and Metals Association estimate a reduction of $6 billion in the income of the minerals sector in Australia if AWAs are removed. So we will see lower productivity, lower exports, lower wages and fewer jobs.
This is probably why the Western Australian Premier, Mr Carpenter, said that in the resources sector we need to understand that flexibility, balance and fairness are critical and are being offered to people currently. He was told not to endorse AWAs and obviously therefore did not, but he said that the current flexibility—that is, the flexibility currently being delivered by Australian workplace agreements—ought to be retained because it is delivering productivity, jobs and higher wages in the mineral industry. Labor know this and therefore the only conclusion could be that their attempt to substitute AWAs with common-law contracts is somehow an attempt to try to walk both sides of the street, pretend that they are interested in labour market flexibility, pretend that they want to generate some sort of productivity, but still keep their union masters on side. The two differences, clearly, between AWAs and common-law contracts are that common-law contracts are really a Clayton’s AWA that will not provide the flexibility and the productivity increases that are needed not only in the mineral industry but throughout industry generally. Secondly, and it is a point that ought to be noted, common-law contracts that Labor want to introduce in place of AWAs are not subject to the fairness test to which we would be subjecting AWAs. So what they are proposing is a nonsense.

In the remaining time I want to outline some of my other concerns with the Labor Party’s supposed industrial relations policy, although it is a bit hard to get a handle on it because it changes every second day. Their Forward with fairness publication says on page 14:

Under Labor’s system, bargaining participants will be free to reach agreement on whatever matters suit them.

One wonders what that includes. It clearly was intended initially at least to include bargaining fees for non-union members—admitted by the Deputy Leader of the Opposition in her interview with Neil Mitchell of 3AW on 1 May, later retracted under pressure just to keep things looking good. No doubt it will be reintroduced should Labor win the election. They would re-introduce bargaining fees for non-union members—that is, if you are not a member of a union and union members somehow secure a pay rise, you will be forced to pay the bargaining fee, which from past practice seems to be higher than union membership, therefore coercing or enticing people into joining a union. So we will have bargaining fees, de facto compulsory unionism and we will have ‘no ticket, no start’ again. We will have the right of unions to write whatever matter suits them into a workplace agreement, including things like paid leave to attend union meetings and training sessions and unlimited right of entry by union officials.

It will be open slather for union officials to come into the workplace and, what is more, not only to come into the workplace but under the supposed good-faith bargaining introduce ambit claims and therefore access to the books of small businesses to see if those ambit claims are reasonable. You could have a union delegate coming into a workplace and putting up a claim for a wage rise for their employees. The small businessman might say, ‘We cannot afford this.’ The union official could insist and have the right, under Labor’s proposal, to open the books of the small business to see what their accounts say. This would be an outrageous intrusion into the legitimate operations of a small business, yet Labor wants to allow union bosses to walk into a small business unannounced and open up their books to see what the state of their finances is and whether they can push harder for wage rises. This is outrageous.

The third feature that really worries me about Labor’s proposal is the proposed return to pattern bargaining. That will allow pay
rises in one industry that might be experiencing productivity gains to be replicated throughout the country, even in businesses that cannot afford it. A recipe, as the member for Rankin would definitely know, that would put upward pressure on prices, add to inflationary pressures in this country and therefore add to pressure on interest rates.

This point needs to be clearly understood: a return to pattern bargaining, which Labor wants, will put upward pressure on inflation and therefore upward pressure on interest rates. One of the very clear reasons that we have been able to run this economy for the last 10 years at near full employment, with low inflationary pressures and therefore low interest rates, is the flexibility in the labour market. Labor will remove that flexibility, put upward pressure on prices and, therefore, put upward pressure on interest rates. This is precisely why the coalition can say that a return to pattern bargaining will put upward pressure on inflation and therefore upward pressure on interest rates.

The fourth thing about Labor’s policy that worries me is their desire to restore the unfair dismissal laws—to return to that regime of job-destroying unfair dismissal laws which cost jobs, which discouraged job generation and which, even when jobs were generated, led to a casualisation of the labour force. I could give example after example of this, as could most of my colleagues—of small businesses being forced to make extortion payments to unions, to pay go-away money simply to stop themselves being dragged through the courts by the trade union movement.’ I can tell the story of a small business man I spoke to a couple of weeks ago who said, ‘Since the IR laws have changed, I’m now moving my employees off casual rates and into permanent employment.’ Casual employment was the safeguard that many small businesses built in to protect themselves against Labor’s unfair dismissal laws. This employer said, ‘I’m now willing to give my workers permanent jobs instead of casual jobs.’ And yet, inexplicably, Labor want to restore these unfair dismissal laws. They want to restore the discouragement, the disincentive, for young people to get jobs.

The last point I would make is that Labor’s policy is clearly a return to union control of the workplace. We had the charade today of Dean Mighell, the secretary of the ETU, being supposedly sacked from the Labor Party. But that has happened in the past, and he rejoined. In the same way, should Labor be elected to government, he will rejoin and be welcomed with open arms again. Nothing was said by the Labor Party when Dean Mighell said: ‘I’m looking forward to having fun when Labor repeals these laws and Labor’s in office. I’m looking forward to having fun putting pressure on employers and exploiting employers.’ We heard nothing from the Leader of the Opposition then. And we heard nothing from the Leader of the Opposition when Kevin Reynolds, the CFMEU boss, said he was looking forward to the day when the Australian Building and Construction Commission would be abolished and it would again be open slather in the building industry.

And we heard nothing from the Leader of the Opposition when Greg Combet said, ‘I remember the days when the unions used to control this country and I’m looking forward to a return to those days.’ It is little wonder when 70 per cent of the Labor frontbench are ex union officials. It will be easier for them
now: they will not even have to get on the phone to Greg Combet to get instructions from him. Now that—in a typical exercise of Labor’s abolition of democracy in their pre-selection processes—he has rolled one of their own sitting members, they will not even have to phone Greg Combet to get instructions from him; he will be sitting in here with them from the next parliament. They will just ask in their morning caucus meeting or over a cup of coffee in the morning, ‘Greg, what does the ACTU want us to do with our policies now?’ It will be very easy. They will not even need to get on the phone to him.

It is not just the government saying this. It is not just business saying this. Many independent commentators are pointing clearly to the dangers of Labor’s industrial relations policy. I could go back through article after article by independent commentators—as recent as yesterday’s editorial in the Australian headed ‘Conflict continues on the work front’ or an article by Steve Lewis, again in yesterday’s Australian, ‘Back to IR past in name of “fairness”’, which I might read a bit from. He writes:

LABOR will take an industrial relations policy to the election even more antiquated and antibusiness than the policies dreamed up by Mark Latham.

Even more antiquated and antibusiness. He goes on:

And guess what? Kevin Rudd and Julia Gillard don’t give a damn. It is now demonstrably clear the Labor leadership has locked in behind an alternative industrial relations agenda that will take Australia backwards, reduce workplace flexibility and re-empower the unions all in the name of “fairness”.

For all the flowery Labor rhetoric about kicking out a tired and jaded Coalition government, a Rudd government would dramatically reshape the industrial landscape. And not for the better. Further on, he writes:

Rudd has been doing a lot of schmoozing with business, attempting to reassure it he is listening to its concerns and working on ways to “soften” the impact of Labor’s alternative IR pact. But this is a facade, a display of false pretence.

That is the same facade and display of false pretence we see on so many issues from those opposite. They should be ashamed of themselves. They should be supporting this government’s legislation, which is delivering higher productivity, delivering workplace flexibility and delivering more jobs—and delivering more jobs at higher wages.

Dr Emerson (Rankin) (4.58 pm)—I indicate at the outset that I will use only half of the time allocated to me for this debate on the Workplace Relations Amendment (A Stronger Safety Net) Bill 2007, because I want to create some extra space for Labor MPs to be able to make a contribution before the guillotine falls. If the government is so proud of its legislation, if it is so proud of Work Choices, why not have a proper debate instead of stopping Labor MPs from making a contribution to it? Indeed, around 90 per cent of coalition MPs have declined the opportunity to speak in this debate, yet the whip on our side of the chamber has had to say to numerous Labor MPs that he is very sorry but he cannot fit them into the small amount of time that has been allocated.

My colleague the member for Melbourne said famously, some time ago, that in politics everyone exaggerates. Well, Mr Deputy Speaker, we saw some of the greatest exaggeration in the speech by the member for Macquarie just then. I would put this proposition to the parliament: if Labor’s policy would create so much difficulty for the business community, why exaggerate it? Why misrepresent it? Why not just describe it as it is?

Mr Bartlett—That is exactly what I did.
Dr Emerson—The member for Macquarie interjects. I am not going to speak for my entire allocated time, but I will respond to the member for Macquarie. He asserted in his contribution that under a Labor government it will be ‘no ticket, no start’—that is, a closed shop, that everyone would be obliged to join a union. This is absolutely untrue. It is outrageously untrue. If our industrial relations policy were to present such difficulties, why would you have to make that up? Why would you have to make up a claim that unions will have unlimited right of entry into any small business in this country and demand their books? Why would a government MP, a Government Whip, create that complete fantasy in order to make the case? The Australian people deserve better than the quality of debate and the sort of misrepresentation that occurs day after day as the Minister for Employment and Workplace Relations and government backbenchers make the most ridiculous, absurd claims about Labor’s policy.

This morning in the debate over the guillotine being applied, the Minister for Immigration and Citizenship, one of the two architects of Work Choices—and we do use the words ‘Work Choices’, whereas government MPs and ministers nowadays find it very hard for those words to roll off their tongues—said that the purpose of this legislation is to deal with unintended consequences. He used the phrase ‘unintended consequences’. He is arguing that it was never intended that any Australian would be worse off under the government’s Work Choices legislation. That is completely untrue, and I will establish that by reference to several statements that the Prime Minister has made outside and inside the parliament. In an interview with John Laws on 10 August 2005, the Prime Minister obviously was saying that it is possible that people will be worse off under this legislation. In that interview, this is what was said:

Laws: Can you guarantee that no worker will be worse off?

Prime Minister: John, I have been asked that before.

Laws: I asked years ago.

Prime Minister: And I cannot do that. I can’t do that. I am not going to try.

So much for unintended consequences. The Prime Minister of Australia was saying that he cannot and will not guarantee that no worker will be worse off. In parliament later that day in question time, in response to a question from the Leader of the Opposition, he said:

As I have said before, my best guarantee is my record.

In other words, he would not guarantee that no-one would be worse off. Again—and I will not go on with a full litany of the Prime Minister’s statements—on 8 December 2005 in the parliament, the Prime Minister said:

I have said before and I will say it again: my guarantee is my record.

On numerous occasions the Prime Minister refused to guarantee that no-one would be worse off because he knew that many Australians would be worse off under the legislation. One of the key reasons for that is an absolutely conscious decision made under Work Choices to remove the so-called no disadvantage test. That test was put in place in the 1996 industrial relations legislation not because the incoming Howard government wanted to do it but because the incoming Howard government did not control the Senate and the minor parties and Labor combined to ensure that at least there was a no disadvantage test. But the first opportunity
that the Prime Minister of Australia got to withdraw the no disadvantage test he took. Upon re-election in 2004, he took the opportunity through the implementation of the Work Choices legislation.

I might add that the Prime Minister gave the Australian people no inkling about this legislation—none at all. I was the shadow industrial relations minister at the time, and I used to say to journalists: ‘It’s fair enough that, if you’re asking a lot of detailed questions about Labor’s industrial relations policy, you should go and ask the Prime Minister and the minister what their industrial relations policy is.’ Was there any indication of Work Choices? None at all. He says he has a mandate for all this, that he has a mandate for a policy that he was clever enough never to take to the Australian people for judgement. It was only after it won the election and after it gained control of the Senate that the Howard government unveiled its true intentions, including the abolition of the no disadvantage test.

Now we have a piece of legislation which is going to cost another $370 million. Add that to pre-existing financial commitments and the total is $1.8 billion, and there will be 600 extra staff for organisations such as the Workplace Authority. As shadow small business minister, I would point out that this will be a new red-tape burden for small business because we are going to have 600 staff sifting through agreements but, importantly, they will be making subjective judgements on those agreements—and I will come to that point in a moment.

The protected award conditions include penalty rates, shift and overtime loadings, monetary allowances, annual leave loadings, public holidays, rest breaks and incentive based payments and bonuses. Under this legislation there is supposed to be fair compensation if any of those are traded away. Despite the announced changes, an employee may still be worse off under a workplace agreement than under an award because there are a number of other award conditions such as additional leave for particular industries, redundancy pay and rostering protections that are not subject to this so-called fairness test.

One of the real worries with this legislation is that these public servants in the Workplace Authority have to make the decision whether, in their personal view, the deal is reasonable—not that there is no disadvantage but that it is reasonable. This is a safety net that is full of holes and is meant to create the impression with the Australian people that all is now well, that no-one will be disadvantaged as a result of the government’s Work Choices legislation. Nothing could be further from the truth. This does not provide any guarantee. It fulfils the Prime Minister’s commitment that he would never provide a guarantee that no-one would be worse off under his legislation. I talk to people in the business community and they say that they do believe in no disadvantage, they do believe in a safety net. Who does not believe in a safety net in this parliament? The Prime Minister of Australia.

This Prime Minister is a clever politician—we know that—and this is a clever manoeuvre to create the false impression that a proper safety net has been established. A proper safety net has not been established. Let us remember the words of the Treasurer when he was asked about this. He said words to the effect of: everything can change after the election. There are no commitments beyond the election, so as we go into this election campaign, according to the Treasurer we will not know what the government would do if it were re-elected. But on its form, on the 30-year history of the Prime Minister of Australia, we have a pretty good inkling, because he does not believe in a no disad-
vantage test or a safety net. Remember the words of Senator Minchin, a close confidant of the Prime Minister, when he was telling the HR Nicholls Society—and he did not realise that there was a tape on—that ‘We’re going to do a lot more reforms’—so-called reforms—‘after the election.’ This is just a cynical, clever pre-election ploy. It is a safety net full of holes. People should see it for what it is. It is just an act of political expedienece to get the government up to and through the election campaign whereupon, if it were re-elected, it would return the Work Choices legislation back to where it was, perfectly capable of disadvantaging any worker in this country.

Dr JENSEN (Tangney) (5.07 pm)—Wow! I have heard quite a bit of rhetoric in my time, but that was right out there. ‘Clever politician’—let us think about that a bit. This is said by members opposite as a derogatory statement. What is the opposite of it? A stupid politician? Is that what your leader is? Clearly, being a clever politician is something bad. Then we have the member for Rankin saying that we are misrepresenting Labor policy. Maybe representation or misrepresentation of policy is in the eye of the beholder. But there can be no misrepresentation of the results that the Labor Party had last time they were in government. Have a look at what we had with their IR policy: a huge number of people unemployed, high interest rates and a large amount of industrial disputation. The problem is that the member for Rankin does not seem to realise that in life, in reality, there are no such things as absolute, cast-iron guarantees. He said, ‘The Prime Minister didn’t guarantee no-one would be worse off.’ I guess, by implication, he is saying that the Labor Party guarantees that no-one will be worse off. The Labor Party had the sorts of policies where they made those sorts of guarantees back in the early nineties, including the introduction of things like unfair dismissal and so on. But what do you say to the person who loses a job? Suddenly they become a lot worse off. How do you define and categorise that person in terms of your ‘not worse off’ policy?

Quite frankly, the Labor Party would do very well to follow the industrial relations legislation that this government has introduced, because what you have seen is that the further you deregulate the workplace market the better off the results will be. It has been clear right through our liberalisation of the industrial relations market. Indeed, if you look around the world you see that the level of economic performance of a nation is pretty much proportional to how deregulated their industrial relations market is. Labor’s position: let’s re-regulate the market. You can see in old Europe the results that would flow from that. I think that old Europe is starting to realise the problems with a highly regulated labour market.

Having said that, clearly there has been a problem as far as the Work Choices act is concerned, as far as some of the fairness provisions are concerned. The Workplace Relations Amendment (A Stronger Safety Net) Bill 2007 recognises those issues and seeks to address them by establishing a Workplace Ombudsman and a Workplace Authority Director as statutory officeholders appointed by the Governor-General, creating an office of the Workplace Ombudsman and the Workplace Authority as statutory agencies, requiring the Workplace Authority Director to be satisfied that specified workplace agreements provide fair compensation in lieu of modification or exclusion of protected award conditions that apply to an employer or employee and establishing a compliance framework to ensure effective operation of the fairness test.

What has Labor offered? So-called policy that will take Australia back to an antiquated
system that belongs to the last century. Let us look back once again at the antiquated system that Labor want us to have. Think back once again to when they were last in government. Go back to 6 May 1993 when this exchange took place with Kim Beazley on the *7.30 Report*. The interviewer said:

So this group are being told, in their twenties, by society, effectively: You’re the losers; go to the scrap heap.

Mr Beazley said:

Well, those who haven’t made it into work and who are among the long-term unemployed, that’s a reasonable statement.

What an absolute disgrace. Labor’s policy—(Quorum formed) Labor clearly cannot take the truth. Indeed, have a look at the last time they were in government. They had such a bad performance on unemployment that they tried to redefine unemployment so that the numbers did not look so bad. Let us have a look at it. Back on 30 May 1993, Kim Beazley—

The DEPUTY SPEAKER (Hon. IR Causley)—Order! The member for Tangney will refer to members by their seat or their title.

Dr JENSEN—The *Sydney Morning Herald* quoted the member for Brand as predicting that a new definition of full employment would involve a fundamental reassessment of the make-up of the workforce, including deciding whether some people then counted as unemployed should be excluded from the definition, and that unemployed people over the age of 55, with virtually no prospect of being re-employed, formed one such group. What an absolute disgrace. With unemployed people at the lower end of the scale, it was a case of: ‘Stiff, if you’ve been unemployed for a little while and you’re in your 20s, you’re on the scrap heap. You’ll never work again. And, by the way, if you’re over age 55, we’ll take you right off the unemployment list, because that’s not convenient to our data, either.’ That is Labor’s heritage, which they want to reimpose on Australia.

Labor plan to scrap Australian workplace agreements, which have delivered large wage increases and flexibility to Australian workers. The fact is the Labor Party find it very difficult to cope with any form of flexibility. There is rigid thinking right throughout their structure. You can see it in the way they go about preselections, you can see it with respect to solidarity, where anyone who dares to disagree with any of the dictates from on high are thrown out of the party. The simple fact is that flexibility is critical in the modern workforce and, quite frankly, people like the option of having flexibility in the workforce. But it is something that Labor do not want to have. According to most recent statistics, workers on AWAs earn nine per cent per week more than those on collective agreements. This shows the strength of flexible work arrangements and individual workplace agreements. Significantly, these workers earn 94 per cent more than employees on awards. So why would Labor then decide to scrap AWAs?

The Leader of the Opposition is captive to union ideology. He has let the Deputy Leader of the Opposition and the ACTU boss, Greg Combet, create a policy that would reimpose the rigidity of pre-1996 reforms to workplace relations. Why would you do that? Why would you move back to a system where you had high unemployment rates and a large amount of industrial disputation? It just stagers belief. The problem is that it would actually be worse now than it was back then because the rest of the world has moved on from those days, so we would not be competing on the same playing field we were competing on then. We would be competing on a playing field that is vastly more competitive than it was then, so our relative position would be that much worse. Quite frankly,
Labor policy spells chaos for small business—the backbone of the nation—and, if implemented, would ultimately destroy many jobs.

The fairness test ensures that employees receive fair compensation when a workplace agreement removes or modifies protected award conditions, such as penalty rates or overtime loadings. In most cases, this will mean a high rate of pay in lieu of protected award conditions. The Workplace Authority will conduct the fairness test. In exceptional circumstances, and where it is not contrary to the public interest to do so, consideration may also be given to the industry, location and economic circumstances of the employer and to the employment circumstances of the employee. For example, the Workplace Authority may decide it is appropriate to consider the economic circumstances of an employer when a workplace agreement is part of a reasonable strategy to deal with a short-term crisis. The issue of a short-term crisis is a reasonable one.

I am reminded of the case of a certain canning company back in the early nineties—that of SPC. SPC had got into some difficulties with their business and wanted to change the awards and conditions of the employees to ride out the crisis. What was the reaction of the union movement and Labor? They wanted to have a situation where SPC was forced to continue those award conditions, which quite frankly the unions knew were going to break the company. Their argument was: ‘There are other companies that are profitable. Why can’t SPC be profitable? If they can’t afford the pay and conditions that the other companies have to pay then they should be out of business.’ Thank God there was some sense shown in that dispute and there was a restructuring of the awards and conditions. SPC managed to ride it out. Those workers, particularly in that period of high unemployment, managed to keep their jobs and indeed reaped the benefits when the company regained profitability. The Labor view is that, in that case, the business should just go bust. That is why Labor has such a dismal record when it comes to unemployment. We have talked about workplace guarantees. The only guarantee seems to be that under Labor there would be a higher rate of unemployment.

Under Labor employees will have a union application form stuck under their nose every single time they start a new job. Under Labor there will be no limit to what the union bosses can demand in agreements. Labor’s policy document Forward with fairness states at page 14:

Under Labor’s system, bargaining participants will be free to reach agreement on whatever matters suit them.

Therefore, unions will be able to force employers into having the following requirements in workplace arrangements: deductions from an employee’s pay or wages for trade union membership subscriptions; paid leave to attend trade union training or meetings; and—and this is the one that really bites—bargaining fees to trade unions. Labor argue that people should have the right to democratic process and freedom of choice in the workplace, but the reality is that, when it comes to the trade union movement, they want no choice whatsoever. You can belong to the union or, if you choose not to belong to the union, you can belong to the union in another form—and that form we will call ‘bargaining fees’ and it will cost more than union dues. This is the way in which the Labor Party want to fund their re-election campaigns in the future. They will also look at providing unions with information about employees bound by the agreement and at mandating that any future agreement must be a union collective agreement and mandating union involvement in dispute resolution.
Under Labor employers will be compelled to invite union bosses to be a party to every agreement they make with their employees. The amount of compulsion from the union movement under Labor’s policy is absolutely staggering. The union bosses will have the right to be a party to an agreement where just one employee in a business is a union member. Workers will be bound by union agreements even where they have chosen not to be a member of unions claiming coverage of a site. ‘Fair Work Australia’—once again big inverted commas are required here—will tell the parties what they must put in their agreement before it is approved. Fair Work Australia will decide whether or not employees genuinely agreed to their own agreement. Labor policy will also withhold approval unless it believes the employees are better off overall, even if economic circumstances dictate otherwise or new flexibilities are required. It is all there in Labor’s Forward with fairness policy document.

The Howard government’s fairness test would not apply to Australian workplace agreements covering employees with full-time or full-time equivalent base salaries of $75,000 or more—in other words, the fairness test covers employees with a base salary of $75,000 on an Australian workplace agreement and all collective agreements. It will be applied to these agreements when there are changes to protected award conditions. It covers agreements lodged on or after 7 May 2007.

Under Labor’s policy, however, what will we have? We will have ‘no ticket, no start’ again. Unions will be able to demand that only union members be employed at a business. How are we supposed to have a productive workforce with this sort of compulsion from the unions? The unions are sitting like a heavy Damocles sword over every business in Australia. It is unconscionable behaviour. Labor has said that it will support the government’s proposed amendments to outlaw union bargaining fees that give unions the power to collect fees from workers who have chosen not to be union members. But how can Labor be trusted when its policy Forward with fairness once again effectively says exactly the opposite? Dean Mighell, the Victorian branch secretary of the Electrical Trades Union, was quoted in the Australian Financial Review on 30 April as saying:

“I welcome particularly the policy that lets us put anything back in agreements that we can coerce our friendly employers to put back in,” he said. “That’s going to be fun.”

We have seen how much fun he has with some of this union compulsive behaviour of threatening employers. We have seen that the Labor Party have run away from the statements he made last year that were made public yesterday. (Time expired)

Mr ANDREN (Calare) (5.29 pm)–Mr Deputy Speaker, because of the time I seek leave to have my speech in the second reading debate incorporated in Hansard.

Leave granted.

The speech read as follows—

The truncation of this debate is a disgrace. This latest workplace relations amendment is an excellent example of policy on the run. According to government, the Work Choices legislation that it forced through this place less than eighteen months ago courtesy of its majority control of both houses of parliament, was perfect legislation for Australian workplaces—until that is the polls began to turn against them.

Perhaps the lesson in this for the government is don’t interfere with proper parliamentary debate, and yourself from the abuse of the majority power. The Prime Minister said his government would respect this unexpected power after July 1st 2005, but in the end did quite the opposite.

No government should have, let alone exploit so ruthlessly, 100% of the power with 46% or thereabouts of the primary vote.
I am sure that comprehensive debate on the Work Choices bills back in 2005 – had it been allowed, and had the government been of a mood to listen – would have pointed out the weaknesses in the so-called reforms that this Stronger Safety Net bill is now attempting to resolve. This is what democracy is all about: debate, amendment and improvement of legislation for the benefit of all Australians.

The Workplace Relations Amendment (A Stronger Safety Net) Bill 2007 is some improvement on the laws formerly known as Work Choices, and for that reason it has my support in principle, but with reservations. The bill improves Work Choices because it reinstates some of the protections of the pre-Work Choices system, but falls short of going the whole way.

It is worth noting the fairer pre-Work Choices system was delivered when the government had to negotiate its legislation through a Senate where the balance of responsibility was held by the cross bench minor party and independent senators. Gone are those days, but I’m hopeful of helping their return whichever side forms government in this place.

I said in the Work Choices debate that the removal of the no-disadvantage test removed an important safeguard for workers in the push for a greater take up of Australian Workplace Agreements and the inevitable undermining of protected award conditions under the Work Choices regime.

The no-disadvantage test determined that the Employment Advocate, in relation to AWAs and the Australian Industrial Relations Commission in relation to certified agreements, were to ensure such agreements did not disadvantage employees in relation to their terms and conditions of employment. The agreements were assessed against the relevant award, or designated award in the absence of a specific relevant award, and “any law of the Commonwealth, or of a State or Territory” the Advocate or the AIRC considered relevant.

One of the difficulties of the no-disadvantage test was that it relied upon the subjective judgement of officers of the Employment Advocate or the AIRC, but there was little that could practically be done to avoid this due to widely differing conditions and needs from workplace to workplace. The Fairness Test will face the same difficulties, but perhaps more so with the fact that the Workplace Authority must determine the value of conditions that are to be traded away.

This compensation can be monetary or non-monetary, but must be of significant value. Again this will necessarily be a subjective process, but it is better than no process at all.

The introduction of the new Fairness Test will restore this protection to a degree. Again the test will rely on the assessment of agreements against the conditions provided for under the relevant awards. In the public debate around Work Choices two years ago, the then Minister for Employment and Workplace Relations said that any AWA that illegally removed allowable conditions would default to the relevant award as a safety net – while-ever there are awards that is!

What he did not explain then was that as awards expired and were replaced by AWAs or collective agreements that only have to contain up to 16 allowable matters rather than the 20 basic award conditions, the safety net was greatly reduced and indeed would swing on the negotiation skills of the employees like the 15 year old girl on $8 an hour in a Sydney coffee shop denied access to this protection because her AWA is 12 months old.

The same will apply to the Fairness Test. As the take-up of AWAs and collective agreements increases, the measuring stick against which the fairness test can be applied shrinks.

If a condition of employment – overtime, penalty rates, allowances and the like – are worth enough for workers to be compensated, they are worth being included wholly within a workplace agreement.

For example, in my electorate, one of the major employers is Electrolux in Orange. As an electrical and white goods manufacturer, demand for their product is highest in summer and the lead up to Christmas, and commensurately more overtime is on offer and relied on by many workers to meet the extra expenses that go hand in hand with this time of year.

Where does this well-earned income boost go if it is averaged over the year? – Probably to meet
the rising un-affordability of housing, with mortgage repayments absorbing up to 40% of household incomes.

Trading off penalty rates means that an hour of work is an hour of work regardless of when it is done, but this is just not the case in the real world. For example, weekends are time that can be spent with children because they are not at school – giving this time over for work is at a greater opportunity cost to workers with families. It is at a greater opportunity costs for those active in community organisations or sporting clubs or any other activity that takes place on a weekend and that are essential to achieving the more and more elusive work-life balance.

Where the government talks about greater flexibility in the workplace, it seems to mean the flexibility to work more outside regular hours – a 7 day week and 24 hour day.

Trading penalty rates for a higher hourly rate – which the government has said will be the most likely form of compensation under the fairness test – makes it harder for workers to see the value of the extra hours they put in; it becomes lost in the mix. For many, it could be impossible for them to assess whether they are being adequately compensated, and I will take advice from the Minister as to whether or not the Workplace Authority will be providing a concise and understandable evaluation of agreements to both employees clearly explaining how the compensation on offer by the employers balances the value of the conditions that have been traded away.

My reservations about the Fairness Test, as provided in this bill, are in relation to the income limit of $75,000, and the fact that it applies only to agreements made on or after 7 May 2007.

The fairness test will only apply to agreements where the gross annual income of the employee is below $75,000. This will supposedly mean that the vast majority of AWAs are subject to the test, however to arbitrarily impose such a limit where principles of fairness are concerned, is going to be unfair to some.

It essentially creates a double standard where someone earning $75,000 receives compensation for trading off terms and conditions, but someone earning $75,100 does not. If it is true that the majority of employees on AWAs will fall within the limit then it stands that the limit is not actually required. I will move an amendment in the detail to stage to remove this income limit.

Similarly I will move a series of amendments to remove the 7 May 2007 starting date for the test, and will replace it with the date on which the Work Choices legislation removing the no-disadvantage test commenced. If the government is to employ an additional 600 people to assess AWAs against the fairness test it is only appropriate that all agreements made since Work Choices came into affect be assessed.

Without these two amendments, the fairness test operates under an unacceptable double standard where some workers receive benefit yet others do not due to their income level or the simple fact of when they were able to find a job. It is only fair that the Fairness Test is fairly applied to all.

Mr HOCKEY (North Sydney—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (5.30 pm)—I thank members for their contributions to this debate. Whilst opposition members in this place have sought to condemn the fairness test, they are going to vote for it. They are going to vote for it because they do not want to create, in their view, a political battle about the fairness test and its application. In fact, the Deputy Leader of the Opposition says that this makes a one per cent difference, but they are going to vote for it. They are going to vote for it because they do not want to create, in their view, a political battle about the fairness test and its application. In fact, the Deputy Leader of the Opposition says that this makes a one per cent difference, but they are going to vote for it. That one per cent difference is costing $370 million, but still they are prepared to pretend to be against it while voting for it.

I remind the House that the Workplace Relations Amendment (A Stronger Safety Net) Bill 2007 establishes a fairness test which will strengthen the existing safety net provided to workers, provides greater employee protection to ensure the legitimacy of the fairness test and establishes a Workplace Authority and a Workplace Ombudsman as independent statutory agencies. And with a
funding package of $370 million the bill gives significantly increased resources to the organisations that are going to provide protection for Australian workers. Let us be perfectly clear: under this system—for Australian workplace agreements and collective agreements that satisfy the requirements for the test to be applied—there will be a third, independent party that will verify that employees are getting fair compensation for traded protected conditions.

Under the Labor Party policy there is no independent third-party analysis of a common-law contract and the adjoining award. Under the Labor Party policy there is a lesser protection for individuals signing work contracts than under the coalition government's policy of Australian workplace agreements. Under our policy, workers will be guaranteed a protection that ensures that they will have a third-party analysis of the contract. If it is deemed that an AWA or a collective agreement fails the fairness test, the Workplace Authority will go back to the employer and the employee with suggestions on how the contract can be changed to make it fairer and to satisfy the requirements of the fairness test. They will have 14 days in which to make sure that the contract is fair and that fair compensation is paid for traded protected conditions. If it is not amended within 14 days then the contract will cease to exist and the employee will go back to the applicable employment arrangements.

We undertake this initiative given that the Labor Party cannot accept the fact that workers and their bosses make agreements without union involvement. Labor struggles to appreciate and fails to accept that AWAs and collective agreements will be checked by an independent authority. We have heard a number of misleading claims from the Labor Party during this debate, particularly from the Leader of the Opposition. The first claim was that it is unfair for protected award conditions to be exchanged for things that are not protected, such as redundancy or long service leave. At the end of the day the agreement must be determined by the Workplace Authority director to provide fair compensation, with the primary consideration being the monetary value of the compensation. There will be a capacity to consider the employee's personal circumstances, including the likelihood of the entitlement being accessed by the employee. Labor attacks the fairness test for not including redundancy as a protected award condition and yet the Labor Party will provide no redundancy entitlements for any employees in businesses of fewer than 15 employees. It is spelt out on page 9 of their policy document *Forward with fairness*. Redundancy remains an award entitlement and able to form the subject of agreements. Redundancy entitlements are preserved for 12 months after the termination of an agreement unless a new agreement is reached in the meantime. As to the criticisms regarding long service leave, statutory long service leave entitlements under state or territory legislation are not excluded from operating under the Workplace Relations Act. State or territory long service leave legislation continues to operate.

Claim No. 2: the Workplace Authority will not be able to make informed decisions about the fairness of an agreement, because it cannot talk to employees. This is just deadset wrong. This bill clearly states: ...

Claim No. 2: the Workplace Authority will not be able to make informed decisions about the fairness of an agreement, because it cannot talk to employees. This is just deadset wrong. This bill clearly states: ...

... the Workplace Authority Director may inform himself or herself in any way he or she considers appropriate including (but not limited to) contacting the employer and the employee, or some or all of the employees, whose employment is subject to the workplace agreement.

This could be done in writing or through other means such as by telephone. This is much clearer than the Australian Labor Party's policy under which Fair Work Australia would approve agreements 'on the pa-
pers’, they say—whatever that means—with no requirement for consultation or a hearing.

Claim No. 3: an employee’s personal circumstances will be subject to undue scrutiny by the Workplace Authority. An employee’s personal circumstances may be taken into account by the Workplace Authority in deciding whether fair compensation has been provided—and for no other reason. The test is deliberately drafted so that it is the value of the entitlements to the employee that counts. The Workplace Authority has no power to demand information. It is up to the employee—who, in the first place, willingly agreed to the contract—to provide such information if they wish to satisfy the authority. Of course, it will only be in cases where the employee has sought an agreement that has terms such that he or she has sought to take into account his or her personal circumstances.

Claim No. 4 from the Labor Party: the Workplace Authority will conduct the fairness test in its own time and without any limits. In fact, the authority will be subject to operational time limits in conducting the fairness test. It will administer the fairness test efficiently, and will make decisions as soon as reasonably practicable, most likely within seven to 10 days. In the event that an agreement fails the fairness test, it will be a requirement that parties be notified at various stages of the process, including about how their agreement can be changed if it does not pass the fairness test.

Claim No. 5: employees will be in a ‘dark wilderness’ because they will not know whether their workplace agreement passes the fairness test. That is just dead wrong. It will be a requirement that parties be notified at various stages of the process, including about how their agreement can be changed if it does not pass the fairness test.

Claim No. 6: the decisions in relation to the fairness test are not subject to external review. I can inform the Deputy Leader of the Opposition that the Workplace Authority will have simple administrative processes, not lengthy legalistic ones. And this reflects the processes of the Employment Advocate in administering the old no disadvantage test. If an agreement does not initially pass the fairness test, the Workplace Authority will provide guidance to the parties about how the agreement can be amended so that it does pass the test. This effectively ensures that parties are aware of the problem and have the flexibility to fix it themselves without unnecessary tribunal interference.

The opposition’s criticisms lose sight of the fact that the fairness test is a beneficial scheme, capable of providing additional employee benefits over and above those contained in the agreement itself. Decisions made under the fairness test cannot disadvantage employees. Compare this with La-
bor’s plan for unfair dismissal cases, which involves placing officials from Fair Work Australia in sole control. They will be able to ask the parties questions and seek their views about issues raised, but there will be no written submissions, no cross-examination and no hearing. And the Labor Party’s policy has no appeals. So Labor’s unfair dismissal cases will be judged against a fair dismissal code. But Labor has given no details about what will be in this code, who will decide what is in it, what Labor’s so-called ‘genuine compliance’ will be, how this will be decided, or what right to appeal there will be. These criticisms demonstrate that the Labor Party cannot comprehend how to create a system that provides both fairness and flexibility. They are captive to the ideology of the union bosses—and, gee, we’ve heard that over the last few days, haven’t we? They say they are all for flexibility—but only as long as it is based on awards set by a central body. In contrast, we believe we ensure that choice of flexibility starts at the workplace and remains the fundamental building block of workplace agreement making.

The fairness test is not a return to one-size-fits-all arrangements. While it is mostly expected that a higher rate of pay will be provided in lieu of penalty rates, if an employee wants family-friendly working hours instead, they can do that. And, secondly, let us not forget, trading entitlements for non-monetary compensation occurred under the old no disadvantage test. The sky did not fall in then and it is not going to fall in now.

Claim No. 7 from the Labor Party: the member for Hotham—who is a former president of the ACTU—suggested that there is no safety net under the government’s laws. In this claim he continues the deception of the Labor Party. It took a coalition government to enshrine a minimum wage—the minimum wage being the 11th commandment that was forgotten by the Deputy Leader of the Opposition: ‘Ten minimum standards—oops! We forgot the minimum wage, No. 11!’ I am still living with this picture in my mind, of poor old Moses coming down from Mount Sinai carrying the tablets with the 10 minimum standards on them. He gets down there and finds the Deputy Leader of the Opposition with a chisel and a hammer, trying to get the minimum wage in as No. 11. And Dean Mighell picks up the tablets and smashes them! And poor old Moses has to go up to the top of Mount Sinai again and try to find the 11th commandment—another set of tablets!

It took a coalition government to enshrine such things as annual leave, personal carer’s leave, unpaid maternity leave and ordinary hours of work in the legislation. Unpaid maternity leave—that is interesting to reflect on. Remember the Labor Party policy on unpaid maternity leave? They guaranteed in their policy that it would be two years. And then the member for Rankin lets the cat out of the bag and we find out that they only guarantee it for 12 months. And if the employer says no, well, that is the end of it. That doesn’t sound like a guarantee. It is a Labor Party guarantee—it is not real.

This legislation represents a stronger safety net for more than 7½ million Australian workers, and they are going to earn more under this arrangement, not less. And the Labor Party have said they support the bill on the basis that it might make a difference for one employee. While the opposition might try in vain to understate the scope and significance of the amendments, can I remind the House of the evidence I presented during my second reading speech. Nearly 90 per cent of adult non-managerial employees earn less than $75,000, so the overwhelming majority of non-managerial employees covered by the federal system will have the benefit of this test. Members of the opposition have criticised the bill for not protecting
enough employees, and they claim the fairness test will be conducted under a cloak of secrecy. Gosh, the Labor Party talking to us about a cloak of secrecy! Talking of cloaks, that comes from ‘Batman’! Yet Labor want to build a workplace relations system around common-law contracts which, as we on this side of the House know, are not subject to any independent third party scrutiny—common-law contracts where someone can trade away all their penalties and leave loadings for 45c an hour. Oops, an honest mistake! The fairness test applies to agreements lodged on or after 7 May, the first business day after the announcement by the Prime Minister and me.

This bill indicates why this government is the people’s preferred economic manager. We know where to draw the line in the balance between fairness and flexibility. We listen, we adjust. We are not like the Labor Party—which does not consult with business but instead tells its senior business adviser that he is just another voice—or the Deputy Leader of the Opposition, who told business to keep out of the political debate or they would get ‘injured’.

Only where they are exceptional circumstances and it is not contrary to the public interest will the Workplace Authority look at the industry, location or economic circumstances of the employer and the employment circumstances of the employee. This is a more difficult test to meet the equivalent public interest test under the no disadvantage test that applied for a decade before the 2006 amendments. These provisions recognise real-life problems—sometimes compromises are reached to help businesses deal with short-term crises. But the Labor Party again reveals the extent of its hypocrisy. It claims that this bill does not protect workers. Rather than compromise its devotion to the centralised wage fixing system, Labor would prefer that businesses go to the wall. Labor has completely ignored the solid protections for employees in the bill. Employees cannot be dismissed if the agreement fails the fairness test, and they cannot be coerced to give up protected award conditions.

In conclusion, in the motion to suspend standing orders, the Deputy Leader of the Opposition said that this government will be ‘judged’. I accept that. While the ALP flounders in a sea of confusion and backflips, the government will be judged on a record that has produced 4.4 per cent unemployment, more than 10½ million Australians in jobs, an increase in real wages of more than 20 per cent since 1996 and the lowest level of strikes since records were first kept in 1913.

The DEPUTY SPEAKER (Mr Quick)—The original question was that this bill be now read a second time. To this the honourable member for Lalor 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.

Consideration in Detail
Bill—by leave—taken as a whole.

The DEPUTY SPEAKER (Mr Quick)—I understand that it is the wish of the House for the amendments proposed by the member for Calare and the opposition amendments to be debated in a series of groups and for the question on each group of amendments to be deferred. After the House has completed its consideration of the amendments, individual questions will be put on each group of amendments and on the government’s amendments as circulated.
Mr ANDREN (Calare) (5.49 pm)—by leave—I move amendments (1) to (10) as circulated in my name:

(1) Schedule 1, item 1, page 5 (lines 16-24), omit the definition of salary.

(2) Schedule 1, item 1, page 7 (line 13), omit paragraph (a), substitute:
(a) the AWA was or is lodged on or after 27 March 2006; and

(3) Schedule 1, item 1, page 7 (line 15) after ‘AWA’ insert ‘was or’.

(4) Schedule 1, item 1, page 7 (lines 22-35), omit paragraph (c).

(5) Schedule 1, item 1, page 8 (lines 31-32), omit paragraph (a), substitute
(a) the variation of the AWA was or is lodged on or after 28 March 2006; and

(6) Schedule 1, item 1, page 9 (lines 4-17), omit paragraph (c).

(7) Schedule 1, item 1, page 8 (line 34) after ‘AWA’ insert ‘was or’.

(8) Schedule 1, item 1, page 10 (line 3) to page 11 (line 3), omit proposed section 346G.

(9) Schedule 1, item 1, page 14 (line 2), omit ‘paragraphs 346E(1)(a), (b) and (c)’, substitute:
‘paragraphs 346E(1)(a) and (b)’.

(10) Schedule 1, item 1, page 14 (lines 14 and 15), omit ‘paragraphs 346E(1)(b) and (c)’, substitute ‘paragraph 346E(1)(b)’.

I will be brief in order to comply, reluctantly, with the travesty of this guillotined debate. This process is a classic example of why our parliament so desperately needs a review, an amendment process, hopefully both here and in the Senate, after the next election.

The effect of these 10 amendments is to, firstly, remove the income limit of $75,000 or less for the fairness test to be applied and, secondly, to apply the fairness test to all agreements made since Work Choices came into effect on 27 March 2006. This bill only appeared because the polls look so bad for the government. The mums and dads and battlers out there really are angry about the ramifications of this. Polling, apart from Newspoll, is no doubt telling the government this.

I draw the attention of the House to the situation of a 15-year-old coffee-shop worker in Sydney who is working for a particular chain. It is reported in today’s press—correctly, I assume—that she receives just over $8 an hour for weekend work, compared to the state award of $12 to $15 on Saturdays and Sundays. Her agreement cannot be included under these amendments, nor can she under any circumstances negotiate fairly for herself. It sounds very much like disadvantage to me.

My changes will avoid the creation of two classes of workers who are on AWAs because of their income or because of when they started work. I expect that the retrospective nature of the second change will meet with criticism from the government, but it can be done, as evidenced in the recent well-publicised WorkDirections case. Fair is fair, regardless of when an agreement was signed. As for the added cost of applying the test to all agreements regardless of income levels, the fact that the $75,000 limit should mean that most AWAs are subject to the fairness test still leaves others high and dry. To apply it to all agreements should therefore not involve any substantial increase in the cost of applying the test—and with 600 inspectors employed to administer the fairness test, I think the government has allocated adequate resources to do so. With that, I commend these amendments to the House.

The DEPUTY SPEAKER (Mr Quick)—In accordance with the wish of the House, the question that amendments (1) to (10)
moved by the member for Calare be agreed to is deferred until after debate has concluded on all the non-government amendments.

Ms GILLARD (Lalor) (5.52 pm)—by leave—I move opposition amendments (1) to (5) as circulated in my name:

(1) Schedule 1, item 1, page 15 (line 22),
omit “fair compensation”
substitute “full compensation”.
(2) Schedule 1, item 1, page 15 (line 28),
omit “fair compensation”
substitute “full compensation”.
(3) Schedule 1, item 1, page 16 (lines 1 and 2),
omit “fair compensation”
substitute “full compensation”.
(4) Schedule 1, item 1, page 16 (lines 11 and 12),
omit “fair compensation”
substitute “full compensation”.
(5) Schedule 1, item 1, page 16 (lines 22 and 23),
omit “fair compensation”
substitute “full compensation”.

I have a series of amendments that I will move in the House today. It is my intention to speak very briefly to each of them in the hope that that will give some time for other members of the House to make a contribution. Amendments (1) to (5) are very clear in their impact. This bill is supposed to be about a fairness test, it is supposed to be about providing compensation to people if they lose conditions that they otherwise would have enjoyed. The terminology used in the bill is that people get fair compensation but nowhere is ‘fair’ defined. We say if people are going to lose conditions they should get full compensation. So these amendments replace the word ‘fair’ with the word ‘full’. Why would the government be opposed to someone who gives up penalty rates, for example, getting full compensation? Why would the government be opposed to someone who gives up overtime pay or some other term of condition getting full compensation? These amendments will make sure that, even under this sham legislation, at least there is some prospect of a worker getting full compensation rather than fair compensation. I commend these amendments to the House.

The DEPUTY SPEAKER—in accordance with the wish of the House, the question that opposition amendments (1) to (5) be agreed to is deferred until after debate has concluded on all the non-government amendments.

Ms GILLARD (Lalor) (5.54 pm)—by leave—I move opposition amendments (6), (7) and (11) to (14) as circulated in my name:

(6) Schedule 1, after item 8, page 33 (after line 26), insert:

8A Subsection 354(4) (after paragraph (i) of the definition of protected allowable award matters)
insert:

(iia) notice periods for the notification of working days or hours and variations to those days or hours;

(7) Schedule 1, after item 8, page 33 (after line 26), insert:

8B Subsection 354(4) (after paragraph (i) of the definition of protected allowable award matters)
Insert:

(iib) redundancy pay;

(11) Schedule 1, after item 39, page 40 (after line 20), insert:

39A Subclause 25A(4) of Schedule 8 (after paragraph (i) of the definition of protected allowable award matters)
insert:

(iia) notice periods for the notification of working days or hours and variations to those days or hours;
(12) Schedule 1, after item 39, page 40 (after line 20), insert:

39B Subclause 25A(4) of Schedule 8 (after paragraph (i) of the definition of protected allowable award matters)
insert:
(ib) redundancy pay;

(13) Schedule 1, after item 41, page 42 (after line 31), insert:

41A Subclause 52(3) of Schedule 8 (after paragraph (h) of the definition of protected allowable award matters)
insert:
(ha) notice periods for the notification of working days or hours and variations to those days or hours;

(14) Schedule 1, after item 41, page 42 (after line 31), insert:

41B Subclause 52(3) of Schedule 8 (after paragraph (h) of the definition of protected allowable award matters)
insert:
(hb) redundancy pay;

To very briefly explain these amendments: as the Minister for Employment and Workplace Relations, who is at the table, would be aware, under the Howard government laws there are things that are called protected award conditions. These are the things supposedly protected by law which of course have been taken away from so many workers. These are the things that are supposed to be looked at for the government’s new test. They are just the award conditions that are protected award conditions. As we have made the point in question time over a number of days, there are conditions of great importance to people that are not currently so-called protected award conditions. One of those that is of great importance to working men and women who need to balance up family obligations is getting appropriate notice of a change of shift or roster and not being able to have that condition stripped away from them.

A second very important condition for working people is an entitlement to redundancy pay, which has always been in our system something that applied to bigger businesses, not small businesses. That entitlement to redundancy pay is to help people to have something to live on in the case of the loss of a job until they can get the next job.

The force of these amendments would be to make those two conditions effectively protected award conditions under the Howard government regime, which means they would need to be weighed in the balance for this so-called test that the government is introducing. I commend these amendments to the House.

The DEPUTY SPEAKER—In accordance with the wish of the House, the question that opposition amendments (6), (7) and (11) to (14) be agreed to is deferred until after debate has concluded on all the non-government amendments.

Ms GILLARD (Lalor) (5.56 pm)—by leave—I move opposition amendments (8) and (9) as circulated in my name:

(8) Schedule 1, after item 22, page 36 (after line 3), insert:

22A At the end of section 613
Add:
(2) Notwithstanding the other factors set out in this section or a provision in a workplace agreement or an award, an employee who wishes to attend to religious activities on Good Friday shall be taken to have reasonable grounds for refusing a request to work on Good Friday.

(9) Schedule 1, after item 22, page 36 (after line 3), insert:

22B At the end of section 613
Add:
These amendments deal with the very important question for many in our community of the way in which they can observe Good Friday and Christmas Day. This is about real protections for public holidays. The current Work Choices act says, on the one hand, that employees are entitled to a day off on public holidays. Then, in the very next section, it says that an employer may request that an employee work on a public holiday. But later, in section 612(3), the legislation says that an employee can refuse the request where they have reasonable grounds to do so. The force of these amendments is to clarify what are reasonable grounds for someone to decline to work on Good Friday or Christmas Day. The clarification is that it is reasonable grounds to decline to work on those very important religious holidays when the employee wishes to attend to religious obligations or other commitments on that day.

This could not be more simple. This is to apply to people who understand, and feel within their personal lives, the significance of the Christian tradition of Good Friday and Christmas Day and, because of the significance of those days to them as a matter of personal faith, they seek to have those days not working ones so that they could attend religious observances on those days, attending a religious observance on Good Friday—the day that Christ was crucified, and one of the most sacred days in the Christian calendar—and to mark the birth of Jesus Christ, also one of the most sacred days in the Christian calendar. This would enable people who wish to attend religious observances on those days to have that as a reasonable ground to decline to work on those days.

The DEPUTY SPEAKER—In accordance with the wish of the House, the question that opposition amendments (8) and (9) be agreed to is deferred until after debate has concluded on all the non-government amendments.

Ms GILLARD (Lalor) (5.58 pm) —I move opposition amendment (10) as circulated in my name:

(10) Schedule 1, after item 22, page 36 (after line 3), insert:

22C At the end of section 613
Add:

(3) Notwithstanding the other factors set out in this section or a provision in a workplace agreement or an award, an employee who wishes to attend commemorative events on Anzac Day, or to support the attendance of a member of the employee’s family at commemorative events on Anzac Day, shall be taken to have reasonable grounds for refusing a request to work on Anzac Day.

This amendment is in comparable form to the amendments that I have just moved but it deals with the question of Anzac Day. As the Prime Minister and other members of the government have had cause to observe, Anzac Day is probably the most significant national date on the calendar each year when we truly come together in the spirit of being Australians. Of course we have Australia Day as well, but Anzac Day has grown to have a particular status, a particular significance, for all Australians. Very hearteningly, it has come to have a particular significance for young Australians. I am one who is very optimistic that, even with the passing of the generations, Anzac Day will continue to be a very important day in the life of this nation each and every year.
On that basis, the force of this amendment is to give an additional protection to those who seek to have Anzac Day off. Once again, this is exposed to the same scheme in the Work Choices legislation that says, on the one hand, employees are entitled to a day off on public holidays and then, in the next section, says that an employer may request an employee to work on a public holiday. There is in section 612(3) of the legislation the ability for the employee to refuse a request where they have reasonable grounds to do so. The force of this amendment is that it will clarify that it is a reasonable ground if an employee is committed to attending Anzac Day events or supporting the attendance of a family member at Anzac Day events. That ought not to be too much to ask for working Australians on our most important day of national events in the calendar.

I go to the particular amendment that would provide for a more definitive definition on reasonable grounds to refuse. Clearly, the government—at least, rhetorically—is suggesting that there is a very important aspect in the way in which public holidays apply; that employees should have the capacity to request that they have the day off. It also allows, as the Deputy Leader of the Opposition has already indicated, that there would be reasonable grounds to refuse. But what are reasonable grounds and what are grounds for employees to take such sacred days off? Expressly articulating a definition that would ensure that employees that requested, for example, Good Friday and Christmas Day off to attend important religious obligations is one such example which should allow employees that entitlement.

With respect to the amendment that would provide for the day off to commemorate Anzac Day, I have already come across an example in your state, Mr Deputy Speaker Quick, in the electorate of Bass—I cannot disclose the person involved because they are fearful of the consequences. A young person requested the day off so he could attend the Anzac Day dawn service in Launceston and wear his grandfather’s medals. He was refused that right and told by his employer that he would have to come in and would not be able to attend that particular service. The employee had to make a difficult decision about whether he wanted to continue employment with that particular employer or do what he has done most years—that is, wear his grandfather’s medals at an Anzac Day event. We think this amendment would provide the opportunity for that individual and everyone in his position to march if they take that very important national day seriously and wish to commemo-
rate the fallen and those who sacrificed so much for this country.

I know, Mr Deputy Speaker, how important Anzac Day is to you. I have listened to the comments you have made over the years in this place with respect to that very important public holiday but, unfortunately, the legislation proposed today is not providing sufficient grounds for employees to commemorate such an important day. The amendments moved by the Deputy Leader of the Opposition, if acceded to by the government, would allow such capacity for employees in that circumstance to do what should be allowed. For that reason, I support the amendment and we ask the government to do likewise.

Mr BARRESI (Deakin) (6.05 pm)—On the face of it, when you listen to the member for Gorton and the member for Lalor speak on these amendments, it gives the impression that it is all very much above board and why shouldn’t we agree to this amendment? This is cute politics by the Labor Party. It gets back to a policy position they announced in their document, *Forward with fairness*. In that document, on page 14, it says that under Labor’s system:

... bargaining participants will be free to reach agreement on whatever matters suit them.

This is what this is about. You can couch it in terms of public holidays, shift rosters and Anzac Days. Even the member for Lalor has admitted that in the current legislation it already says that employees can agree to decline a request by an employer, whether it be the RSL asking them to work on Anzac Day so its members can participate in the activities of the RSL. It is already in the legislation, so why are we having this amendment? Why is the member for Lalor introducing this? Because there are a lot of other things that they would like to introduce through the ability to insert other issues.

We know that one of those things that they want to introduce goes all the way back to bargaining fees, which would be introduced by the Australian Labor Party. We all know the importance of Good Friday and Christmas Day. We do not need to come in here and receive a homily from the member for Lalor. Of course we all appreciate what Christmas Day is all about. We also appreciate that members of the public would like to spend time with their families, yet for decades a lot of people have worked on Christmas Day and Good Friday. There is the ability in this legislation for employees to decline those requests.

The member for Lalor, Ms Julia Gillard, talked about the entitlement to redundancy pay. She failed in her very brief moment at the dispatch box—maybe she will come back and explain it a little later on—how to actually define ‘full compensation’. What does it actually mean that someone will be fully compensated? Does the member for Lalor also have a plan through these amendments to introduce all those other things which Labor want to see inserted in agreements such as deductions from employees’ pay or wages for union fees?

Do Labor also want to introduce a restriction on the use of contractors and labour hire arrangements? The member for Gorton knows about that debate. He and I were members of a parliamentary committee that looked at those issues, and I know the views of the Labor Party on contractors and labour hire arrangements. Do they want to introduce in these agreements paid leave to attend union training and union meetings? I would like to know what else they actually want to see included in these agreements, apart from these nice things such as Christmas Day, Good Friday and Anzac Day that all of us would certainly agree to.
The fact is that, if we start going down this path that the member for Lalor wants us to go down, we do not know what else is going to be in there. But we do know that there is a plan by the member for Lalor to introduce such things as bargaining fees into the legislation. Why is that? Because in 2004 the High Court held that bargaining service fees were not matters pertaining to the employment relationship and therefore they could not be included in pre-reform agreements on that basis. The member for Lalor is now trying to insert it into the legislation itself, and that is one of the reasons why her amendments will be rejected by those on this side. On page 14 of Forward with fairness, the Labor Party said:

Under Labor’s system, bargaining parties will be free to reach agreement on whatever matters suit them.

When the member for Lalor went on Neil Mitchell’s program on 1 May 2007, he asked:

... are we getting to the essence of this now then that bargaining fees are banned at the moment ... under your system they wouldn’t be banned, they’d be there for negotiation. Is that a fair comment?

The member for Lalor replied, ‘Yes’. Then, of course, we had a reversal. Therefore, things like union preference clauses in hiring or promotion will be lawful. (Time expired)

Mr KERR (Denison) (6.10 pm)—Because of the guillotine on this debate, I regret that I will not have the opportunity to contribute more substantially, but I want to make a couple of quick remarks in relation to the amendments and the substance of the Workplace Relations Amendment (A Stronger Safety Net) Bill 2007.

I remember the Work Choices legislation being introduced with a fanfare of paid publicity saying that the entitlements of persons under it would be protected by law. They were not. The consequence of this is that this government have suffered a slogging of a monumental nature in the public debate, and rightly so. Now, in another act of scheming and deception, they have put forward trivial amounts of legislation under an equally misleading title to provide some limited cover for legislation that still remains fundamentally unfair.

The government seek to put into the mouth of the member for Lalor, the Deputy Leader of the Opposition, an intention to add further matters in relation to the matters that she proposes by way of amendments. The truth is that the opposition does not propose further minor amendments; it proposes to tear up this legislation and to replace it completely. That is what it will do when it forms government upon the realisation that the community will not accept this kind of deceit, this kind of wrongful taking of its own taxpayers’ money to fund something that is so adverse to the community interest.

The member for Calare has quite rightly raised what must be a continuing issue of substance for those who have entered into AWAs on the conditions that were not protected by law, that are unfair and that will remain under this so-called fairness test unaffected by these changes. The Deputy Leader of the Opposition has raised a whole series of very sensible, practical improvements that could be made to this trivial ameliorative measure, and they are being rejected. Instead, the government purports to speak for the opposition in relation to its intent. The intent is straightforward, it has been well expressed, but the larger intent of the opposition is to form government and to replace these laws with laws that are balanced and fair for the whole of the community.

I have some words of advice in relation to this general debate: there is no prospect whatsoever that this government will get any
traction with the Australian public as long as it sits on government benches acting as if it is in the opposition. Every speech that now is given by the other side imputes to the Labor Party motives which it does not hold. Every speech that is given by the government is a sledge against the opposition. Every speech is an act of desperation rather than an articulation of the values and principles that underlie its actions, because the values and principles that underlie its actions are actually values and principles that are being rejected by the Australian public—and rightly so.

The opposition support this measure, not because they regard it as a fairness measure but because they do recognise that at least some people who have been treated unfairly will be able to get some amelioration of the disadvantage that this government has imposed on them. It does redress to a slight degree some of the lies and deceit that were peddled by paid advertising saying that these entitlements were protected by law when they were not. It allows the opposition to articulate some of the larger vision that it will put into effect when it forms government if the Australian public give it the respect, which it hopes to earn through the articulation of the principles that have underpinned the work of the leader, deputy leader and the shadow ministry in putting forward large initiatives to the Australian public not just in industrial relations but across the board. This government simply sounds tired. It sounds unable to articulate its own rationale for its existence. It can only attack the opposition. The opposition has now become the leader of debate across a whole range of issues and, sadly, this debate has reflected that very great reality.

Mr McARTHUR (Corangamite) (6.15 pm)—I totally reject the amendment put forward by the member for Lalor suggesting that the government’s industrial relations laws are extreme. In fact, our legislation is quite moderate, forward thinking and progressive. As members opposite would be aware, the union movement have dominated the Labor Party since 1891 under the Tree of Knowledge in Barcaldine. On that occasion, the union members said to the Labor Party, ‘You’ll do what we tell you.’ In the famous event of the 36 faceless men with Calwell and Menzies, we well recall that the federal executive of the union movement told the Labor Party what to do.

In 2007 we have a similar situation. We have Dean Mighell of the Electrical Trades Union—we talked about him today; Greg Combet, ACTU secretary; Sharan Burrow, ACTU president; Bill Shorten; Dougie Cameron, senator elect; and Richard Marles, branch stacker extraordinaire and assistant secretary of the ACTU, and the member for Throsby has a hotline as well to these union personnel. They all tell the Labor Party what to do. We have the unions writing industrial relations policy for the Labor Party. The member for Lalor, the shadow spokesman, wrote their policy and the Christian socialist Leader of the Opposition said he was not familiar with the details. We have these amendments drafted in a similar fashion.

We have a situation with the unions, which are dominating the policy, where union membership has been in decline. The union members are voting with their feet. In 1976, 51 per cent of the workforce was in the union movement. By 1994, 40 per cent of the workforce was unionised. By 2006, we had 22 per cent of the workforce unionised and it was only 16 per cent in the private sector. Why are the workers leaving the unions? I would suggest to you it is that they have jobs and higher pay under the Howard government. Yet we have a situation here in the parliament where the union movement, with such small representation, dominates the policy. These so-called extreme laws have cre-
ated 326,000 new jobs since March 2006 and 85 per cent of them are full-time jobs.

A further amendment suggests that the law has caused the pay and conditions of individuals on Australian workplace agreements to be cut. The evidence is that wages have increased and members opposite are aware of that. Wages under AWAs are nine per cent higher than under collective agreements and 94 per cent higher than under the award rates. What is the Labor Party standing for in this legislation? Are they returning to the situation where there were 4,000 awards? Do they want that complexity in the industrial relations system? In their policy, Fair Work Australia, which is a bit unclear, are they suggesting one-stop shops in the suburbs? That is unconstitutional, it is quite clear they would be run by union officials and it would be unfair. Where does that leave the employers and workers in Australia? The policy also recommends bargaining fees. Dean Mihell is delighted with this bargaining fee proposal because that will mean union fees for his union. Bargaining fees force compulsory unionism on Australian workers.

As far as I can ascertain that is the position of the shadow minister and those opposite. They are in a position where they are returning to 1904 arbitration commission type attitudes. They want to throw out the current legislation lock, stock and barrel; the shadow minister said that here in the parliament today. They want turn the clock back to the 19th century. They have no position. They have some amendments here that try to reinforce their position. They agree with the bill, they are going to vote for it and yet they have these amendments here which, if you read the fine detail, really mean nothing. They are turning the future into the past. They have no proposition. The amendments stand for nothing. They stand condemned.

Mr Hayes (Werriwa) (6.20 pm)—I support the amendments but I want to make a comment on the debate so far on this substantive bill before the House. I have to say there is a lot of rhetoric. The reason that this matter has been brought forward is not that people have lost money; they knew that was going to occur. They knew that when the legislation was passed. The reason this is coming before us is the polls. This mob opposite are going to do anything, spend as much as it takes, to get them across the line at the next election. I would like to put a bit of reality into this debate if I could.

Back in September of last year, in a question without notice, I raised with the Prime Minister the situation faced by employees of Lipa Pharmaceuticals in my electorate, a major pharmaceutical company that employs about 300 people in Minto. I asked him if he was aware that these people were on a collective agreement but had been presented with an Australian workplace agreement that sought to cut weekend penalty rates, cut public holiday pay, remove protected award conditions and also allow the employer the unilateral ability to change shift and rostering arrangements with no increase in pay—and that agreement would last for five years. Understandably, the Prime Minister probably thought, ‘Well, I can’t trust these Labor members because they’ll tell me anything,’ so he did not want to answer. So I popped up and I gave him a copy of the certified agreement, which was still current, and the AWA. I tried to get an answer from the Prime Minister as to why someone would actually sign this when they still had an agreement, one that still had time to run, yet they had been asked to sign an AWA. By the way, the employee who came to see me about that made it very clear why that was the case. He said, ‘They put it to me that if I didn’t sign it there were plenty of other people who would.’
These are not just constituents out there. They are not just voters we are trying to woo before the next election. These are people I go to the football with on weekends. My kids go to school with their kids. I have been in that area for 30 years, and these are families that have grown up there. They are concerned about Lipa Pharmaceuticals. They are not in trades which are in demand in the energy industry; they are not going to leave this job and go to a mine. These people need the jobs that they have. They are low-skilled workers; they know that they are not in much of a position to bargain. And I know for a fact that there is no union on that site—but there are 300 people so perhaps there should be. But they were put in the position where they either signed the contract or they did not have a job.

Reynaldo Cortez is one of those people. He has got five kids; his wife stays home and minds them. He signed the agreement, but when he came to my office to talk about it he was in tears. He said to me, and this was actually reported in the local newspaper: ‘I’ve got five kids and my wife takes care of my kids.’ He said that, when confronted with the agreement: ‘I felt sick. I couldn’t sleep because of what was going on. I didn’t like to sign it, but what could I do?’ I have now had in excess of 20 people who work for that company come to visit my office. Invariably, the arrangement is that they meet me on a weekend because they do not want to be seen coming to the office of Chris Hayes. Because I do actually raise these things, they fear that if they are seen coming to my office they will get the sack.

Do not forget, Mr Deputy Speaker, that when all of this fairness stuff comes into play this employer does not actually have to give them a reason for dismissal. It can be just ‘operational reasons’. These are not lawyers. They certainly do not have the ability to go and pay for a lawyer. As I said, they are not on a unionised site. They are very concerned for themselves and their families. They are concerned for their welfare. That man who came to see me lost $200 a week. That was in the documentation I provided to the Prime Minister. I know that, when the former minister, Mr Andrews, who is also sitting at the table, visited my electorate and this was raised with him when he was out at Ingleburn, he took the easy line and said: ‘Well, this is sub judice. This is subject to an investigation.’ Let me tell you, Mr Deputy Speaker, there has never been—(Time expired)

Mr HOCKEY (North Sydney—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (6.25 pm)—I want to take this opportunity to summarise the government’s position in relation to these various amendments. Before I do that, I want to thank the people in the department who have been involved in the work on the fairness test: Finn Pratt, John Kovacic and Natalie James; Jenny Burnett from Attorney-General’s; and also David Bohn from DEWR. I also take the opportunity to thank my staff, Richard Clancy and Rod Whithear, and Jamie Briggs in the Prime Minister’s office, who undertook a hell of a lot of work in preparing this fairness test.

The government will not be accepting the member for Calare’s proposed amendments. Firstly, in relation to amending Australian workplace agreements made between 27 March and midnight on 6 May, our view is that it would create significant legal risk to disturb existing contracts—contracts that were obviously willingly agreed to by employers and employees. It might even create significant compensation issues under the Constitution for disturbance of property. Not even the Labor Party, I understand, are supporting this amendment requiring retrospection. Secondly, in relation to the salary limit
of $75,000, it is meant to be a safety net. It would be very rare to see an award that pays more than $75,000 as a base salary. It is not meant to apply to higher income earners; it is meant to apply to those who are most vulnerable. It covers over 90 per cent of workers on AWAs. Also, from an administrative perspective, the cost of retrospectivity—and I know Independents do not worry about this—in looking at over 300,000 contracts would be literally half a billion to a billion dollars, if not more. So it is totally unrealistic and we will not be accepting it.

The government will not be accepting the amendments moved by the Deputy Leader of the Opposition. The first set of amendments would replace ‘fair compensation’ with ‘full compensation’, but we do not know what ‘full compensation’ is because the Deputy Leader of the Opposition has not provided us with a definition. It certainly sounds as though it is totally inflexible, and one of the things we pride ourselves on is that flexibility is not thrown out the back door when it comes to Australian workplace agreements and collective agreements under the Work Choices policy. So we will not be accepting those amendments. Secondly, in relation to redundancy pay and changes of hours under protected award conditions, we view these proposals as inflexible. Currently, protected award conditions strike about the right balance. The government have already preserved redundancy entitlements and agreements for up to 12 months after an agreement is terminated.

In relation to public holidays, I noted that the amendments proposed by the Deputy Leader of the Opposition protect, in her view, Good Friday but not Easter Sunday. What about Easter Sunday for all those Catholics and Christians out there who believe Easter Sunday is of equal importance to Good Friday? We think Palm Sunday is very also important, and other religious festivals—

Mr Andrews interjecting—

Mr HOCKEY—Yes, there are other religions—Buddhism, Hinduism, Judaism, Islam—and they are all very important. That is why we believe that the current arrangements do provide appropriate protections, particularly in relation to Anzac Day, and when it comes to family arrangements and attending ceremonies and so on, of course people would get the day off. This is just a political stunt. We are not interested in that.

Finally, I present the supplementary explanatory memorandum for the government amendments previously circulated. We strongly support the government amendments, obviously, as they are ours.
vide an assurance that attending an Anzac Day ceremony is a reasonable basis for having that day off. All of the members of the Greenbank RSL and all of the members of RSLs all around Australia will be shocked to know that the government is treating Anzac Day with such contempt. I am disappointed. The minister went to the Kokoda Trail—and good on him for doing that—but he really needs to follow that action up and give Australians that basic fundamental right in relation to Anzac Day. He has not done so and RSL members and leaders around the country tonight will be shaking their heads when they hear this broadcast and when they find out what has happened in the parliament tonight.

Mr BARTLETT (Macquarie) (6.32 pm)—What worries me about the opposition’s proposed amendments and indeed their industrial relations policy generally—that is, if you can come to grips with what they actually stand for at the moment because there have been so many changes—is that their position is a threat to the jobs growth and the extraordinarily low levels of unemployment that we have had over the past few years. Ten years ago when we introduced the first round of our industrial relations changes, Labor said that it would lead to mass unemployment. What we have had in fact over the last 10 years is the generation of two million jobs. We have the lowest unemployment in 33 years and unemployment is down to 4.4 per cent.

What Labor are proposing will threaten the high level of jobs growth and return Australia to higher levels of unemployment. There are two areas that worry me about Labor’s position. Firstly, Labor’s threat to restore pattern bargaining—it is in their industrial relations policy. Despite their obfuscation and denials, Labor’s return to pattern bargaining will be a problem. It is in their industrial relations policy on pages 13 and 14:

... multi employer collective bargaining for low paid employees ...

It says that Labor recognises that employers and employees or unions may also want to negotiate consistent terms and conditions across an industry—I could go on and on. The return to pattern bargaining will undermine the ability in a full labour market to generate productivity growth and wages growth in those industries that are not experiencing growth without adding to inflationary pressures across the economy.

One of the features of the flexibility that AWAs have introduced and allowed has been that individual businesses that are generating productivity rises can afford high pay rises without this affecting industries that are not experiencing high productivity rises. By reintroducing pattern bargaining, Labor would put pressure right across an industry and on low-productivity businesses, those businesses that are struggling, to replicate the pay rises in businesses where productivity gains are being achieved. Business therefore can only respond in one of two ways. Firstly, they would put off workers, leading to unemployment, because they cannot pay the higher wages that another business can afford to pay, or, secondly, they would have to put their prices up to cover the higher pay that they cannot afford; therefore, inflation rises. We have had this in times past: in a tight labour market and an over-regulated labour market, prices rise. Therefore, there is upward pressure on interest rates and there is a slowdown in economic growth and higher unemployment. Labor’s desire to return to a pattern bargaining regime in a tight labour market will inevitably lead to higher prices, inflation, higher interest rates, and higher unemployment.

CHAMBER
The second aspect of Labor’s policy that will threaten jobs growth is their intention to restore the unfair dismissal laws—those unfair dismissal laws that cost jobs. Every member of this House, even those on the other side in their candid moments, know many small businesses in their electorates that have been willing to put on workers over the last year because they are no longer afraid of being taken to the cleaners due to Labor’s job-destroying unfair dismissal laws.

I could quote example after example from my electorate of employers who are now putting on employees—not only are they putting on employees, they are putting employees into permanent jobs. They no longer have to protect themselves with casual employment so that they can dismiss an unsuitable, unsatisfactory or unproductive employee or a troublemaking employee. They are giving them permanent jobs because they are no longer worried about the unfair dismissal laws. Labor’s intention to restore the unfair dismissal laws will discourage small businesses from giving employees full-time jobs and taking on apprentices, and will lead to a casualisation of the labour force. The runs are on the board. This government have been delivering jobs growth right across the board. Labor’s proposals will threaten that jobs growth and we will see a rise in unemployment. That is the last thing that people in this country want.

Ms GILLARD (Lalor) (6.37 pm)—In the few seconds that remain could I urge government members to consider our amendments and support them to ensure people get full compensation, to ensure that there are some protections for changes—getting notice of changes to rosters and shifts, and redundancy—and for better protections of Good Friday, Christmas Day and Anzac Day. If the government think there should be a longer list of public holidays better protected then we are happy to vote for it, but before the House today we have better protections for some very significant days for members of the Australian community and there is no reason why anyone should vote against those better protections.

In the course of votes this evening, there will be a vote on the amendments moved by the member for Calare. Could I indicate that the opposition will not be voting for those amendments. They have within them making the government’s new test retrospective. Whilst we can understand the sentiment of the member for Calare, we do not believe it is appropriate to try and retrospectively apply this new test to the many thousands of Australian workplace agreements that have been entered into in the last 13 months. The government has two amendments itself—one on bargaining fees and one on mending a problem with federal registration of unions, mainly the police union—and we will support both of those.

The DEPUTY SPEAKER (Mr Barresi)—In accordance with the resolution agreed to earlier this day, the time for consideration of the bill has expired. I therefore put the question that amendments (1) to (10) moved by the member for Calare be agreed to.

A division having been called and the bells having been rung—

The DEPUTY SPEAKER—As there are fewer than five members on the side of the ayes in this division, I declare the question negatived in accordance with standing order 127. The names of those members in the minority will be recorded in the Votes and Proceedings. I would also like to remind members at this stage that there will be a series of divisions. I now put the question that opposition amendments (1) to (5) be agreed to.

The House divided. [6.45 pm]
The DEPUTY SPEAKER—I now put the question that opposition amendments (6), (7) and (11) to (14) be agreed to.

The House divided. [6.53 pm]

The DEPUTY SPEAKER—I now put the question that opposition amendments (6), (7) and (11) to (14) be agreed to.

ADAMS, D.G.H. ANDREN, P.J.
BOWEN, C. BURKE, A.M.
CREAN, S.F. EDWARDS, M. *
ELLIS, A.L. ELLIS, K.
EMERSON, C.A. FERGUSON, L.D.T.
FERGUSON, M.J. FITZGIBBON, J.A.
GARRETT, P. GEORGE, J.
GIBBONS, S.W. GILLARD, J.E.
GRIERSON, S.J. GRIFFIN, A.P.
HALL, J.G. * HATTON, M.J.
HAYES, C.P. IRWIN, J.
JENKINS, H.A. KERR, D.J.C.
KING, C.F. LAWRENCE, C.M.
MACKLIN, J.L. MCCLELLAND, R.B.
MCMULLEN, R.F. MELHAM, D.
MURPHY, J.P. O’CONNOR, B.P.
PLIBERSEK, T. PRICE, L.R.S.
QUICK, H.V. RICK, B.F.
SAWFFORD, R.W. SNOWDON, W.E.
SWAN, W.M. THOMSON, K.J.
VAMVAKINOU, M. WILKIE, K.
WINDSOR, A.H.C.

The DEPUTY SPEAKER—I now put the question that opposition amendments (6), (7) and (11) to (14) be agreed to.

The House divided. [6.53 pm]

The DEPUTY SPEAKER—I now put the question that opposition amendments (6), (7) and (11) to (14) be agreed to.

The House divided. [6.53 pm]

The DEPUTY SPEAKER—I now put the question that opposition amendments (6), (7) and (11) to (14) be agreed to.

The House divided. [6.53 pm]
Hayes, C.P.  Irwin, J.
Jenkins, H.A.  Kerr, D.J.C.
King, C.F.  Lawrence, C.M.
Macklin, J.L.  McClelland, R.B.
McMullan, R.F.  Melham, D.
Murphy, J.P.  O’Connor, B.P.
O’Connor, G.M.  Owens, J.
Pillerseck, T.  Price, L.R.S.
Quick, H.V.  Ripoll, B.F.
Roxon, N.L.  Sawford, R.W.
Smith, S.F.  Snowdon, W.E.
Swan, W.M.  Tanner, L.
Thomson, K.J.  Vamvakinou, M.
Wilkie, K.

NOES
Abbott, A.J.  Anderson, J.D.
Andrews, K.J.  Baird, B.G.
Baldwin, R.C.  Bartlett, K.J.
Billson, B.F.  Bishop, B.K.
Bishop, J.I.  Broadbent, R.
Brough, M.T.  Cadman, A.G.
Causley, I.R.  Cheyne, C.
Cobb, J.K.  Coddington, P.
Draper, P.  Costello, P.H.
Elson, K.S.  Dutton, P.C.
Farmer, P.F.  Entsch, W.G.
Ferguson, M.D.  Fawcett, D.
Gamboro, T.  Forrest, J.A.
Georgiou, P.  Gash, J.
Hardgrave, G.D.  Haase, B.W.
Henry, S.  Hartseyker, L.
Hull, K.E. *  Hockey, J.B.
Jensen, D.  Hunt, G.A.
Johnstone, M.A.  Johnson, M.A.
Kelly, D.M.  Kelly, J.M.
Laming, A.  Ley, S.P.
Lindsay, P.J.  Lloyd, J.E.
McArthur, S. *  McGauran, P.J.
Mirabella, S.  Moylan, J.E.
Nairn, G.R.  Nelson, B.J.
Neville, P.C.  Pearce, C.J.
Prosser, G.D.  Pyne, C.
Randall, D.J.  Richardson, K.
Robb, A.  Ruddock, P.M.
Schultz, A.  Scott, B.C.
Secker, P.D.  Slipper, P.N.
Smith, A.D.H.  Somlyay, A.M.
Southcott, A.J.  Stone, S.N.
Thompson, C.P.  Ticehurst, K.V.
Tollner, D.W.  Truss, W.E.
Tuckey, C.W.  Vaile, M.A.J.

Vale, D.S.  Vasta, R.
Wakelin, B.H.  Washer, M.J.
Wood, J.

* denotes teller

Question negatived.

The DEPUTY SPEAKER— I now put the question that opposition amendments (8) and (9) be agreed to.

The House divided.  [6.57 pm]

(The Deputy Speaker—Mr Barresi)

Ayes…………  56
Noes…………  77
Majority………  21

AYES

Adams, D.G.H.  Beazley, K.C.
Beard, S.  Byrne, A.E.
Byrne, A.M.  Danby, M. *
Elliot, J.  Ellis, K.
Ellis, M.  Ferguson, L.D.T.
Fitzgibbon, J.A.  Georganas, S.
Gibbons, S.W.  Grierson, S.J.
Hall, J.G. *  Hayes, C.P.
Hayes, C.P.  Jenkins, H.A.
King, C.F.  Macklin, J.L.
McMullan, R.F.  Murphy, J.P.
O’Connor, G.M.  Pillerseck, T.
Quick, H.V.  Roxon, N.L.
Smith, S.F.  Swan, W.M.
Thomson, K.J.  Wilkie, K.

NOES

Abbott, A.J.  Anderson, J.D.
Andrews, K.J.  Baird, B.G.
Baldwin, R.C.  Bartlett, K.J.
Billson, B.F.  Bishop, B.K.

Andren, P.J.  Bevis, A.R.
Bowen, C.  Burke, A.S.
Cren, S.F.  Edwards, G.J.
Ellis, A.L.  Emerson, C.A.
Ferguson, M.J.  Garrett, P.
George, J.  Gillard, J.E.
Griffin, A.P.  Hatton, M.J.
Irwin, J.  Kerr, D.J.C.
Lawrence, C.M.  McClelland, R.B.
Melham, D.  O’Connor, B.P.
Owens, J.  Price, L.R.S.
Ripoll, B.F.  Sawford, R.W.
Snowdon, W.E.  Tanner, L.
Vamvakinou, M.  Windsor, A.H.C.
The DEPUTY SPEAKER—I now put the question that opposition amendment (10) be agreed to.

The House divided. [6.59 pm]

Ayes………….. 56
Noes………….. 77
Majority………. 21

AYES
Adams, D.G.H. Andren, P.J.
Beazley, K.C. Bevis, A.R.
Bird, S. Bowen, C.
Burke, A.E. Burke, A.S.
Byrne, A.M. Crean, S.F.
Danby, M. * Edwards, G.J.
Elliot, J. Ellis, A.L.
Ellis, K. Emerson, C.A.
Ferguson, L.D.T. Ferguson, M.J.
Fitzgibbon, J.A. Garrett, P.
Georganas, S. George, J.
Gibbons, S.W. Gillard, J.E.
Grierson, S.J. Griffin, A.P.
Hall, J.G. * Hatton, M.J.
Hayes, C.P. Irwin, J.
Jenkins, H.A. Kerr, D.J.C.
King, C.F. Lawrence, C.M.
Macklin, J.L. McClelland, R.B.
McMullan, R.F. Melham, D.
Murphy, J.P. O’Connor, B.P.
O’Connor, G.M. Owens, J.
Pipher, T. Price, L.R.S.
Quinn, H.V. Ripoll, B.F.
Roxon, N.L. Sawford, R.W.
Smith, S.F. Snowdon, W.E.
Thomson, K.J. Tanner, L.
Wilkie, K. Vamvak inou, M.
Windsor, A.H.C.

NOES
Abbott, A.J. Anderson, J.D.
Andrews, K.J. Baird, B.G.
Baldwin, R.C. Bartlett, K.J.
Billson, B.F. Bishop, B.K.
Brough, J.I. Broadbent, R.
Cadman, A.G. Broadbent, B.
Causley, I.R. Ciobo, S.M.
Cobb, J.K. Crean, S.F.
Draper, P. Dutton, P.C.
Dutton, P.C. Entsch, W.G.
Ellson, K.S. Fawcett, D.
Farmer, P.F. Forrest, J.A.
Ferguson, M.D. Gash, J.
Gambaro, T. Haase, B.W.
Georgiou, P. Hartsuyker, L.
Hardgrave, G.D. Hockey, J.B.
Henry, S. Hunt, G.A.
Hull, K.E. * Johnson, M.A.
Jensen, D. Keenan, M.
Jull, D.F. Kelly, D.M.
Kelly, J.M. Ley, S.P.
Laming, A. Ley, S.P.
Lindsay, P.J. * McGauran, P.J.
McArthur, S. * McGauran, P.J.
Mirabella, S. Moylan, J.E.
Nairn, G.R. Nelson, B.J.
Neville, P.C. Pearce, C.J.
Prosser, G.D. Pyne, C.
Randall, D.J. Richardson, K.
Robb, A. Ruddock, P.M.
Schultz, A. Scott, B.C.
Secker, P.D. Slipper, P.N.
Smith, A.D.H. Somlyay, A.M.
Southcott, A.J. Stone, S.N.
Thompson, C.P. Ticichurst, K.V.
Tollner, D.W. Truss, W.E.
Tuckey, C.W. Vaile, M.A.J.
Vale, D.S. Vasta, R.
Wakelin, B.H. Washer, M.J.
Wood, J.

* denotes teller

Question negatived.
Third Reading

The DEPUTY SPEAKER—In accordance with the resolution agreed earlier this day I now put the question that the government amendments (1) to (4) as circulated and the remaining stages of the bill be agreed to.

The amendments read as follows—

(1) Clause 2, page 2 (at the end of the table), add:

5. Schedule 4 The day on which this Act receives the Royal Assent.

(2) Clause 2, page 2 (at the end of the table, after proposed table item 5), add:

6. Schedule 5 A single day to be fixed by Proclamation.

However, if any of the provision(s) do not commence within the period of 6 months beginning on the day on which this Act receives the Royal Assent, they commence on the first day after the end of that period.

(3) Page 76 (after line 32), at the end of the Bill, add:

Schedule 4—Prohibited content

Workplace Relations Act 1996

1 Subsection 4(2)

Omit “section 356”, substitute “paragraph 356(1)(f)”.

2 Section 356

Repeal the section, substitute:

356 Prohibited content

(1) For the purposes of this Act, each of the following is prohibited content:

(a) a provision that requires or permits any conduct that would contravene Part 16, or that would contravene that Part if Division 2 of that Part were disregarded;

(b) a provision that directly or indirectly requires a person:

(i) to encourage another person to become, or remain, a member of an industrial association; or

(ii) to discourage another person from becoming, or remaining, a member of an industrial association;

(c) a provision that indicates support for persons being members of an industrial association;

(d) a provision that indicates opposition to persons being members of an industrial association;

(e) a provision that requires or permits payment of a bargaining services fee;

(f) a matter specified in the regulations.

(2) An expression used in paragraph (1)(a), (b), (c), (d) or (e) that is also used in section 810 has the same meaning in that paragraph as it has in that section.

3 Transitional—regulations made for the purposes of section 356 of the Workplace Relations Act 1996

(1) This item applies to regulations that:

(a) were made for the purposes of section 356 of the Workplace Relations Act 1996; and
(b) were in force immediately before the commencement of this item; but does not apply to subregulation 8.5(7) of the Workplace Relations Regulations 2006.

(2) The regulations have effect, after the commencement of this item, as if they had been made for the purposes of paragraph 356(1)(f) of the Workplace Relations Act 1996 as amended by this Act.

(4) Page 76 (after line 32), at the end of the Bill, after proposed Schedule 4, add:

Schedule 5—Membership requirements for registered organisations

Workplace Relations Act 1996

1 Section 6 of Schedule 1
Insert:

constitutional trade or commerce has the same meaning as in the Workplace Relations Act.

2 Section 6 of Schedule 1
Insert:

designated Commonwealth authority means:

(a) a body corporate established for a public purpose by or under a law of the Commonwealth; or

(b) a body corporate:

(i) incorporated under a law of the Commonwealth or a State or Territory; and

(ii) in which the Commonwealth has a controlling interest.

3 Section 6 of Schedule 1 (definition of federal system employer)
Repeal the definition, substitute:

federal system employer means:

(a) an individual who is employed in Victoria, so long as the provisions of this Schedule that would apply to:

(i) the individual as a federal system employee; or

(ii) an association of which the individual is a member;

fall within the legislative power referred to the Commonwealth under the Commonwealth Powers (Industrial Relations) Act 1996 of Victoria; or

(c) an independent contractor who, if he or she were an employee performing work of the kind which he or she usually performs as an independent contractor, would be an employee who could be characterised in either or both of the ways mentioned in paragraphs (a) and (b).

4 Section 6 of Schedule 1 (definition of federal system employer)
Repeal the definition, substitute:

federal system employer means:

(a) a constitutional corporation, so far as it employs, or usually employs, an individual; or

(b) the Commonwealth, so far as it employs, or usually employs, an individual; or

(c) a designated Commonwealth authority, so far as it employs, or usually employs, an individual; or

(d) a person or entity (which may be an unincorporated club) so far as the person or entity, in connection with constitutional trade or commerce, employs, or usually employs, an individual as:

(i) a flight crew officer; or

(ii) a maritime employee; or

(iii) a waterside worker; or

(e) a body corporate incorporated in a Territory, so far as the body employs, or usually employs, an individual; or
(f) a person or entity (which may be an unincorporated club) that carries on an activity (whether of a commercial, governmental or other nature) in a Territory in Australia, so far as the person or entity employs, or usually employs, an individual in connection with the activity carried on in the Territory; or

(g) an employer in Victoria, so long as the provisions of this Schedule that would apply to:

(i) the employer as a federal system employer; or

(ii) an association of which the employer is a member; fall within the legislative power referred to the Commonwealth under the Commonwealth Powers (Industrial Relations) Act 1996 of Victoria.

Note: In the context of paragraph (f), Australia includes the Territory of Christmas Island and the Territory of Cocos (Keeling) Islands. See paragraph 17(a) of the Acts Interpretation Act 1901.

5 Section 6 of Schedule 1
Insert:
flight crew officer has the same meaning as in the Workplace Relations Act.

6 Section 6 of Schedule 1
Insert:
maritime employee has the same meaning as in the Workplace Relations Act.

7 Section 6 of Schedule 1
Insert:
vocational placement has the same meaning as in the Workplace Relations Act.

8 Section 6 of Schedule 1
Insert:
waterside worker has the same meaning as in the Workplace Relations Act.

9 Paragraph 18A(1)(b) of Schedule 1
Omit “the majority”, substitute “some or all”.

10 Subsection 18A(2) of Schedule 1
Repeal the subsection.

11 Paragraph 18A(4)(b) of Schedule 1
Repeal the paragraph, substitute:
(b) it is not the case that some or all of the association’s members are federal system employers.

12 Paragraph 18B(1)(b) of Schedule 1
Omit “the majority”, substitute “some or all”.

13 Subsection 18B(2) of Schedule 1
Repeal the subsection.

14 Paragraph 18B(5)(b) of Schedule 1
Repeal the paragraph, substitute:
(b) it is not the case that some or all of the association’s members are federal system employers.

15 Paragraph 18C(2)(b) of Schedule 1
Omit “the majority”, substitute “some or all”.

16 Subparagraph 18C(3)(c)(i) of Schedule 1
Repeal the subparagraph, substitute:
(i) an employee who could be characterised in either or both of the ways mentioned in paragraphs (a) and (b) of the definition of federal system employee in section 6; and

17 Subsection 18D(1) of Schedule 1
Repeal the subsection, substitute:
Associations of employers

(1) If the Parliament would not have sufficient legislative power to provide for the registration of a particular association of employers if:

(a) a particular class of employers mentioned in paragraphs (a) to (g) of the definition of federal system employer in section 6 were included when working out whether some or
all of the association’s members are federal system employers;
that definition applies as if it did not include a reference to that class of employers.

18 Subsection 18D(3) of Schedule 1
Repeal the subsection, substitute:

Associations of employees

(3) If the Parliament would not have sufficient legislative power to provide for the registration of an association of employees if:

(a) a particular class of individuals so far as they are employed, or usually employed, as described in paragraph (a), (b), (c), (d), (e) or (f) of the definition of federal system employer in section 6, by a federal system employer were included when working out whether some or all of the association’s members are federal system employees;

the definition of federal system employer in section 6 applies as if it did not include a reference to that class of employees.

(3A) If the Parliament would not have sufficient legislative power to provide for the registration of an association of employees if:

(a) a particular class of individuals mentioned in paragraph (b) or (c) of the definition of federal system employer in section 6 were included in working out whether some or all of the association’s members are federal system employees;

that definition applies as if it did not include a reference to that class of employees.

Mr HOCKEY (North Sydney—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (7.01 pm)—On indulgence, when I was thanking my staff in the department I failed to mention Minna Knight, who has done a fantastic job in my office on the fairness bill. I thank the Deputy Leader of the Opposition for agreeing to the indulgence.

Question agreed to.

Bill read a third time.

FISHERIES LEGISLATION AMENDMENT BILL 2007

Cognate bill:

FISHERIES LEVY AMENDMENT BILL 2007

Second Reading

Debate resumed from 23 May, on motion by Ms Ley:

That this bill be now read a second time.


These bills are complex pieces of legislation that need to be looked at in more detail. Whilst Labor will be supporting the bills in this House, we will be referring the bills to the Senate Standing Committee on Rural and Regional Affairs and Transport for detailed consideration of the legislation. There are some provisions which require further analysis to ensure the best outcome is reached for the seafood industry and to ensure that the seafood industry can continue to have a voice. It is also essential to ensure that AFMA is properly resourced in order to adequately carry out any enhanced role. The main provisions include the following: firstly, to clarify the Australian Fisheries Management Authority, AFMA, to the Torres Strait protected zone fisheries. These fisheries have been subject to some conflict between the Queensland licensed east coast commercial fishermen and the traditional
fishers from the Torres Strait. Access to the fisheries has been managed through a gentlemen’s agreement between licensed commercial fishers and traditional fishers. Labor believes that this legislation presented an opportunity to formally recognise this gentlemen’s agreement. Unfortunately, the government has failed to do so with this legislation.

Secondly, there is a need for us to contemplate AFMA’s role in placing observers and enable AFMA to collect information on behalf of other agencies. Due to the escalating problems of illegal foreign fishing, Labor supports the increased use of observers on both domestic and foreign vessels. There is also the increase in AFMA’s policing powers. This legislation significantly increases AFMA’s powers in relation to the collection of data for purposes other than fisheries management. In effect, it allows AFMA to become a policing agent for things such as possible breaches of the laws to Australia or to a foreign country; control and protection of Australia’s borders; and administration, management, research and monitoring of fisheries and marine resources. Mr Deputy Speaker, as you can see, and I am sure you will appreciate, these powers are extremely broad.

AFMA is a small agency and, if it is to be successful in implementing these measures, it will require additional skills and appropriate training of existing officers. It may also need additional resources. However, the government has made no mention of providing additional resources to AFMA either for staffing or for training budgets. In fact, in the recent budget, AFMA is reported to be losing three staff positions. AFMA has underspent its domestic fisheries enforcement budget for each of the past six years. The government has to demonstrate more commitment to supporting AFMA in its compliance efforts. If the government is going to legislate to provide a vast increase in AFMA’s compliance and enforcement powers, then the government should also provide meaningful support for AFMA to deliver those outcomes.

Yet the Howard government has added a whole new layer of uncertainty by proposing a radical restructure of AFMA. These changes may impact on staff morale within the organisation and on communications and consultation with industry and non-government sectors. The changes impose a raft of new responsibilities on AFMA but provide no additional resources, staff, training or skills development. And it is clear from this summary that the Howard government does not have a well thought out plan for the Australian seafood industry. The government’s approach to fisheries management has been piecemeal and ad hoc, lurching from crisis to crisis, and has lacked a comprehensive strategic approach to the seafood industry. These changes are a panicked response to a crisis of the government’s own making.

I live in the north of Australia, and the waters in my electorate of Lingiari host some of Australia’s finest fishing. I am enthusiastic about the quality and variety of the fish that are caught. And we know that seafood is becoming an increasingly important part of a healthy balanced diet. Even for the very conservative elements of the Australian community who are used to red meat and three vegies, seafood has become recognised for the health benefits it provides. Its consumption is on the rise. Demand in the domestic market for Australian seafood is growing. It is therefore critical that the Australian government secures the supply of seafood for future generations. This requires a comprehensive, long-term strategy for sustainable aquaculture development and, indeed, fisheries management. And the Howard government, in our view, has failed in its duty to provide the framework for sustainable man-
agement of our valuable fisheries resources. It has failed to plan for the future of Australia’s fisheries production. The government has failed to provide a fair trading environment for local seafood producers.

I would like now to outline seven major failings of the Howard government’s management of the seafood industry. No. 1 is the government’s failure to protect Australia’s seafood industry from exotic diseases—diseases which could potentially have a devastating financial impact on the Australian seafood industry and an unquantifiable impact on our marine ecosystems. Importantly, in February of this year, Biosecurity Australia officials were reported as saying that these diseases, such as white spot virus, could devastate Australia’s prawn industry. I have the Gulf as part of my electorate, and the landmass of my electorate has also hosted a number of aquaculture ventures, including prawn aquaculture, sadly no longer in production. In November of last year, the fisheries minister, Eric Abetz, promised a crackdown on the importation of uncooked prawns. But it may surprise you to know that, up until this day, the government has failed to act. The government still allows diseased imported prawns to enter Australia, which represents a very direct threat to the disease-free status of the $450 million Australian prawn industry. In anyone’s terms, that is a significant failure. And, as a result of that failure, there is a significant threat.

No. 2 is the government’s failure to ensure proper seafood labelling. In this, as in many other areas, the Howard government has an appalling record. Every hardworking seafood producer in Australia knows the story. Importers were allowed to bring in cheap imported seafood from farms in Asia, and these products were being on-sold as premium products by some unscrupulous retailers at significantly higher prices. In many cases, the cheap imports were falsely labelled as premium local Australian product. This is not new. The government was alerted to this emerging problem in the late nineties. It did nothing about it then and had done nothing about it until recently, when it moved to introduce country-of-origin labelling on imported seafood products. And, significantly, the government only acted after it was embarrassed by a massive public campaign by the seafood industry, supported by concerned media organisations. However, the government has failed and is still failing to accept responsibility for proper labelling, instead blaming the states for a lack of enforcement. If the Howard government continues to allow an influx of cheap Asian imports, then it should not wash its hands when it comes to labelling. There is an absolute need—a vital need—for the Australian government to take a leadership role in seafood labelling.

Failure No. 3 is the government’s failure to ensure a level playing field for seafood imports. The Howard government has failed to respond to the longstanding concerns of local seafood producers about the lack of a level playing field for imported products. The Australian seafood industry is required to meet food safety, quarantine and environmental protection standards that are amongst the highest in the world. These requirements impose significant costs on the local industry, but most local producers are happy to meet these requirements. However, significantly—and, given the government’s record, not surprisingly—there is no such requirement on imported products. Seafood imports are not required to meet the same benchmarks as those that are imposed on our local industry. As you would imagine, this creates a very unfavourable and unfair trading environment in which Australian law imposes significant costs on local producers yet allows the import of a vast amount of imported product which does not meet the same standards as the domestic product. This has been
a concern of local seafood businesses and families for much of the past decade. Indeed, it is a large part of the reason why the balance of trade in seafood products has been steadily growing in favour of imports, and it is why Asian seafood imports can arrive in Australia at such low cost. The Howard government has had more than 10 years to address this issue but as yet has done nothing.

The next failure is the Howard government’s failure to manage our precious fish stocks. Successive ministers have failed in their duty to provide for the sustainable management of fish stocks. It is not as if, in the past, the government has not recognised its own inadequacies. Indeed, way back on 14 December 2005 the then Minister for Fisheries, Forestry and Conservation, Senator Ian Macdonald, announced a $220 million package called Securing our Fishing Future—and we were led to believe that something significant was going to happen. At the time, the minister said:

The Australian Government has made it very clear that it wishes AFMA to accelerate its current programmes to prevent overfishing, rebuild overfished stocks, and to take a more strategic approach to setting catch limits in future.

He went on to say:

The message from the Australian Government is clear: overfishing in Commonwealth fisheries is unacceptable and if you think you can’t operate in that environment, you should consider applying for the buyout.

Let us put this into context. This announcement was an admission by the government that it had failed to prevent overfishing. Indeed, it can be seen as a panic response to a very serious situation in which the survival of some of Australia’s most important fish species was at threat—as was the survival of the fishing businesses that depended on these species.

Earlier this year the Bureau of Rural Sciences released its Fishery Status Reports 2005. This important paper confirmed the Howard government’s legacy of failure on fisheries management. Twenty-four of the 83 species assessed were classified as ‘overfished’ and/or ‘subject to overfishing’. This figure was up from four species when the Howard government was elected. Of the remaining species, 40 are classified as ‘uncertain’. This means that almost half of the surveyed stocks might be overfished—but the government does not know, because it has not gathered enough information. The Howard government has had 10 years to address this critical lack of information and improve its fisheries decision making. Unfortunately, it has failed. This is an indictment of the government’s activity in this area. Of the remaining species identified in the BRS report, only 19 are classified as ‘not overfished’—and there were 83 species assessed, so that means less than 25 per cent of the species identified in the report are classified as ‘not overfished’.

That raises significant questions about the government’s performance in relation to the management of Australia’s fisheries. The $220 million buyout package is the government’s attempt to fix the mess that it created by its own very poor management. Fishing families and onshore businesses have been badly impacted by the government’s poor fisheries management. According to the recent budget papers, nearly $27 million of the fisheries restructure package remained unspent this financial year and has been rolled over into 2007-08. This is pretty good evidence of the government’s unfair and uncaring attitude towards seafood producers and their families. We should not underestimate the impact of the government’s decision making, or lack of it—or lack of management—on not only the Australian fisheries but also on the lives of many Australian families involved in the fishing industry. The government should have done better.
The sixth failure is the failure to properly address domestic illegal fishing. Last week Senate estimates heard that the Howard government has presided over a 16 per cent reduction in spending on domestic fisheries enforcement. Senator Kerry O’Brien, the opposition spokesperson on primary industries, fisheries and forestry, asked the Minister for Fisheries, Forestry and Conservation, Senator Eric Abetz, to explain why the government had reduced its fisheries enforcement spending in the face of worrying statistics. It is worthwhile hearing and understanding what Minister Abetz said. I quote him:

... Look, there are undoubtedly a whole host of reasons as AFMA have indicated to you. I have not heard any complaints from the fishing sector that AFMA have been too soft or not pursuing investigations or prosecutions with sufficient rigor.

Australian Fisheries Management Authority annual reports show spending reductions every year since 2002. In 2002-03 the actual dollars spent on fisheries enforcement was $4.12 million. In 2005-06 it was $3.46 million. Despite an increase of 15.66 per cent in the number of offences detected, the government has underspent the enforcement budget every year since 2002.

I come to the seventh of the failures. We should not describe them as the seven deadly sins but, nevertheless, they are failures which need to be highlighted. The seventh is one which attracts my attention on a continuing basis: the failure of the government to stop illegal foreign fishing. Illegal foreign fishing has become and remains a major problem under the Howard government. The government has reported that sightings of motorised illegal foreign fishing vessels have recently been in decline. The government claims that this is due to its much publicised crackdown on illegal foreign fishing.

However, there are several possible reasons for the reported decline in sightings of motorised illegal foreign fishing vessels. One of them might be—and I would have thought logically it could be—the overfishing of shark stocks in northern Australian waters. A recent assessment of the northern shark fisheries by the former Department of the Environment and Heritage found that there was no evidence that shark stocks targeted in northern Australia were separate populations from those right across the Indo-Pacific. If that is the case, then it is likely that any overfishing of the stock in one area will have a consequential flow-on effect to another. It is therefore possible—although clearly we do not really know, but it is certainly possible—that this is exactly what is occurring in the case of sharks in northern Australia. This concern is supported by anecdotal reports that illegal foreign fishers are coming further down the Australian coastline in search of shark and other fish. The Australian government has not published the data which shows the geographical distributions of illegal foreign fishing vessel sightings. If it did, this data would reveal whether it is the case that illegal fishers are coming closer to the Australian coastline.

There is firsthand experience of illegal foreign fishing vessels off Australia’s coast coming very close to the shoreline and going up rivers. This has been the case off the coast of the Northern Territory, around Groote Eylandt, where there has been evidence, through observations made, of illegal foreign fishing vessels in fact making landfall, with people disembarking from these vessels and bringing on to Australia’s shores who knows what potential diseases. Who knows what the potential impact would be on the quarantine of Australia’s northern borders of the incursions of these illegal foreign fishing vessels? I know that it is a major cause of concern to Indigenous communities right across the Top End of Australia. In the case of my electorate of Lingiari—and I know this applies to
neighbouring electorates—large numbers of Indigenous Australians are participating in observing these illegal foreign fishing vessels and are now working, thankfully at last, a lot more closely with quarantine and Customs officials and with the Navy and Coastwatch and are reporting the sightings of these illegal foreign fishing vessels and monitoring their movements.

Unfortunately, there was a time when, despite the work which was being done by these rangers, little notice was being taken of the reports that they were providing and the responses were not timely. As a result, a number of illegal foreign fishing vessels which would otherwise have been intercepted were not. However, I am glad to inform the House that things are changing: there is far more and much better cooperation with these Aboriginal rangers, many of whom are unpaid, except for those who are working on Community Development Employment Program schemes in the north of Australia. It would be proper for those who are not paid to be paid for the work they do. I note there is a capacity in the recent budget for this to happen in part, and I am hopeful that we will see some of these rangers properly remunerated for the work that they are doing on behalf of the Australian community in involving themselves in monitoring the movements of these illegal foreign fishing vessels off Australia’s shores. This concern that is shared by many in the Australian community, about what happens and the potential danger when people off these vessels make landfall, should also be a concern of all of us.

Against a backdrop of mismanagement by the Howard government of the seafood industry, at a time when demand for seafood is on the rise, the detail of these bills requires a great deal more analysis and consideration before they can be fully embraced. As I said earlier, Labor, despite supporting this legislation in this chamber, will be moving in the Senate that further consideration be undertaken.

ADJOURNMENT

The DEPUTY SPEAKER (Hon. IR Causley)—Order! It being almost 7.30 pm, I propose the question:

That the House do now adjourn.

Mr Larry Summers

Women in Science

Ms PLIBERSEK (Sydney) (7.30 pm)—Today in question time the Prime Minister quoted his favourite climate change sceptic, Mr Larry Summers. Mr Summers, says the PM, ‘comes to this debate with absolutely impeccable credentials’. In fact, the PM spent quite some time in question time today talking about just how great Mr Summers is. I think he mentioned him about seven times in all in question time today.

So Mr Summers is a modern man, is he—a greater thinker? According to the PM he is. Unfortunately, as well as being a climate change denier, the PM’s favourite expert seems also to be an amateur, I do not know, phrenologist. He caused quite a stir in 2005 when he told an audience, including prominent scientists, that the reason so few women succeed in maths and science careers is because of innate differences—perhaps their brains are smaller.

It might not be phrenology that has informed his views; perhaps it is something different. It might be the view of past centuries that women should not be allowed to go to university, because if they thought too much their brains would grow, the blood would rush from their reproductive organs into their brains and they would be barren. As long as they are not intentionally barren, as Senator Heffernan said of Julia Gillard, perhaps it is all right.

Mr Summers said that women and men have a ‘different availability of aptitude at
the high end’. I do not think there is any possible explanation for that comment other than he thinks that women are not as smart as men; that they have lower IQs. He does acknowledge that the ‘relatively few women who are in the highest ranking places are disproportionately unmarried or without children’. But instead of asking himself or his audience why scientific workplaces—and, for that matter, the parliament—are so madly family-unfriendly or, perhaps being more realistic about it, mother-unfriendly, he puts it down to a level of commitment—he means a lower level of commitment from women to scientific careers. He asks:

Who wants to do the high-powered intense work? Plainly not women, he implies. There are other explanations besides the fact that women are not as intelligent or as committed as men as to why there are not as many women in scientific careers. It could be one of any number of reasons—for example, those in a 1991 publication called *Women In Science*, edited by Veronica Stolte-Heiskanen. She says some of the reasons are the biases in the educational system; reconciliation of professional and family obligations; the public image of scientific disciplines such as technology and engineering; the interruption of child bearing on a career and the institutional response to that; the lack of recognition of gender equity in academic circles; and that women experience greater difficulty than men in finding suitable employment and certainly in being promoted. If you look at the lack of emphasis in many of our schools on teaching maths and science to girls and the desperate shortage of maths and science trained teachers, that has an influence in Australia. Women also have greater difficulty in obtaining tenure in the science and maths fields. All of these are possibly factors. But Summers says that it is because we are not as smart and not as committed.

What bothers me about this is not that Summers thinks this—he has a right to his own opinion—but that the Prime Minister of Australia would come into this place and commend a person whose views are so far behind the times in relation to gender and science, a person who is still a climate change denier despite the fact that science all around the world has worked out that climate change is real and humans are causing it. No wonder this fellow is the Prime Minister’s favourite climate change denier! They have got very similar views on the role of women in society and on climate change. *(Time expired)*

**National Community Crime Prevention Program**

Mr VASTA (Bonner) (7.34 pm)—Crime and the fear of crime consistently rate amongst the highest concerns of the Australian public. The Australian Institute of Criminology has estimated that crime costs Australia around $32 billion per year. Locally, residents have simply had enough of hoons, vandals and antisocial behaviour on our streets. People have a right to feel safe in their own homes and on their local streets. As such, I believe it is extremely important that we do everything we can to ensure that our local communities are better protected.

The Howard government shares the community’s concern about crime and violence and their impact on people’s lives. Sixty-four million dollars has been committed to the National Community Crime Prevention Program, which features the national community grants program, and I commend the government on this outstanding initiative. The program provides much-needed funding for grassroots projects designed to enhance community safety and crime prevention by not only preventing or reducing crime and antisocial behaviour but improving commu-
nity safety and security, and reducing the fear of crime.

I note that 241 successful projects have so far been announced, with over $43 million in funding committed. I recently had the great pleasure of announcing one of these successful projects in Bonner. The Wishart North Neighbourhood Watch Association will receive $4,720 under the government’s National Community Crime Prevention Program to help Brisbane’s Southside community fight to stop crime before it happens. Members of the association have devised an innovative personal property marking and recording project that aims to deter thieves by increasing access to and promoting use of equipment that marks or photographs personal property with a personal identification number. Wishart North Neighbourhood Watch will use the $4,720 grant to purchase engraving equipment, digital cameras and a laptop computer for use by residents of Wishart and the surrounding Southside community.

This project is a fine example of the way in which local residents can proactively work together for the greater good of the community. I congratulate Wishart North Neighbourhood Watch on their commitment to strengthening the fight against crime, and I will be encouraging local residents to take full advantage of the equipment that will soon be available.

Neighbourhood Watch associations and their dedicated members have worked tirelessly for many years to implement programs such as this that safeguard and better our quality of life where it counts most—in our streets and in our homes. They work hard to bring people together so that residents can become neighbours and that neighbours can then become friends. Our communities are richer for the work of Neighbourhood Watch associations, and tonight I particularly want to commend and thank the members of Wishart North Neighbourhood Watch for the lead that they have taken in trying to combat local crime.

It has been a great privilege to be able to work closely with all the neighbourhood watch associations in Bonner. Through campaigns such as the personal property marking and recording project, we have been able to encourage homeowners to deter thieves by taking all the right precautions. As a local resident in Bonner and as its federal member of parliament, I am committed not only to working actively with the community to tackle crime but also to reducing the fear of crime, which is increasingly prevalent in our society. I look forward to supporting many more local projects through the National Community Crime Prevention Program.

**Indigenous Affairs**

Mr SNOWDON (Lingiari) (7.38 pm)—On 23 April this year, the ABC Radio National *Counterpoint* program was titled ‘Nugget Coombs revisited’. The participants in this program were Gary Johns, President of the Bennelong Society and a former member of this place; Warren Mundine, a former president of the Australian Labor Party and CEO of New South Wales Native Title Services; Michael Duffy; and Paul Comrie-Thomson.

The program was most notable for its fatuous and, dare I say in most cases, intemperate assertions that had no basis in fact. It lacked any coherent or reasoned argument. In my view, it was both insulting and demeaning. The ostensible purpose of the program was, it appears, to deconstruct the contribution of Dr HC ‘Nugget’ Coombs to public policy in relation to Indigenous affairs in this country in the period since the 1967 referendum. It ascribed to him responsibility for what the participants at least saw as the failure of government policy and programs in
There is no doubt that Dr Coombs, among others, was a key participant in the policy debates around Aboriginal and Torres Strait Islander affairs during the latter half of the last century, and most particularly in the latter third of the last century. In my view the image presented by the program was, however, quite ingenious, because it was that Dr Coombs was an advocate of cocooning Aboriginal and Torres Strait Islander Australians from change and participation in the broader Australian community.

This discussion was simplistic, ill-informed, showed no real appreciation of what Nugget was about and greatly exaggerated his influence on government policy. After all, he had no real role in government policy formulation from the Fraser government onwards. It is true that he was, and remained until his death, a great intellectual driving force in the public discourse on Aboriginal and Torres Strait Islander rights. But, unlike the participants in this Radio National discussion, I had the privilege and good fortune to work closely with Dr Coombs over a number of years, commencing in 1979 at the Australian National University here in Canberra.

What I learnt was that Dr Coombs was not an apologist for assimilation but that he was able to accept, acknowledge and respect that Aboriginal and Torres Strait Islander Australians had systems of beliefs, practices, knowledge and a culture that should be supported. He understood their attachment to land and country. He understood the vital importance of culture and language maintenance to the health of Aboriginal and Torres Strait Islander communities and individuals. He understood difference, that there were and are a large number of Aboriginal and Torres Strait Islander nations across this country. He appreciated the different historical contexts and experiences that confronted Indigenous Australians depending upon where they were on the Australian landscape.

Importantly, Nugget was a strong believer in Aboriginal and Torres Strait Islanders having the right to make decisions about their own lives, although he was an avid believer in the value and importance of education. He was a critic of the failure of governments to research and develop an appropriate pedagogy that would comprehend the different learning styles and the need for Aboriginal and Torres Strait Islander Australians to deal with and acquire the skills envisaged in the mainstream curriculum. He saw the value of bilingual education and supported it.

He understood and advocated the need for Aboriginal and Torres Strait Islander Australians to interact with and participate in the broader economy. He understood and advocated the need for Aboriginal and Torres Strait Islander Australians to have access to employment options and/or the capacity to develop skills to be able to manage their own affairs, like other Australians. He was a key believer in adult education. He also had a strong desire to support Aboriginal and Torres Strait Islander Australians in their belief and their desire to resist passive welfare, initially through proposals from remote communities in the north of Australia to only work for income through the CDEP program.

Unfortunately the time for my speech has run out, but I know that Nugget would never claim that he was always right. He saw great value in the need for debate, in the contest of ideas and in sound research and argument. Unlike the participants in this Radio National discussion, he demonstrated an interest in informed discussion and debate. (Time expired)
La Trobe Electorate: Road Safety

Mr WOOD (La Trobe) (7.44 pm)—I rise to inform the House that on 17 May this year I was delighted to announce that the Australian government has allocated $8 million towards improving the safety of Wellington Road between Clematis and Lysterfield. I must emphasise that this would not have been possible without the participation of local residents. I congratulate all the Cardinia Shire and Shire of Yarra Ranges residents who took the time to respond to the survey I conducted in 2006.

People have much more important things to do than fill out surveys, so I sincerely thank the residents who did. I was delighted, that from 4,652 surveys I sent out to Cardinia Shire residents, I received 1,508 responses—a return rate of 32 per cent. This shows just how much residents wanted action on Wellington Road. In particular, I wish to thank Bob Farr, President of the Gembrook Township Committee, Kevin Teasdale from the Emerald Village Committee and Dot Griffin from the Cockatoo Township Committee for making it known to me just how important that stretch of road is to the many people in the area who use it every day.

The improvements encompass new overtaking lanes at strategic locations along Wellington Road between Clematis and Lysterfield. This is a fantastic result for local road safety. It will significantly reduce the likelihood of serious and fatal accidents caused by dangerous overtaking or impatient drivers. Senior Sergeant Doug Bergland from Belgrave Police who attended the announcement said that it has been a terrible stretch of road for fatal and serious collisions. To confirm Senior Sergeant Bergland’s comments, after the announcement I received a heartbreaking email from a woman and her two young children, who she represented, stating that tragically her husband had died in an accident on Wellington Road last year. This is precisely the type of terrible tragedy that overtaking lanes are intended to prevent.

This project represents yet another in the long line of state Labor government failures on improvements by road projects in La Trobe. Despite being flush with GST revenue, the Victorian government has failed the people of La Trobe time and time again. And, time and time again, the Howard government has had to pick up the slack. In 2004 the Howard government pledged $10 million to build the Bryn Mawr Bridge in Berwick after the Victorian state government reneged on a promise to build it.

In 2006, the Howard government again allocated $1.5 million towards road works at the intersection of Tivendale Road, Officer. This has been recognised as one of the most dangerous intersections in Victoria for over 15 years. Despite a public outcry, the Victorian government did not have the funds to undertake the works, something I cannot accept. Again, I congratulate all the residents of Officer who have strongly lobbied for over 20 years to have this fixed. Sadly, the state government did not always listen to their cries. This was such a dangerous intersection, considering that parents dropping their children at primary school have to make a right-hand turn across the Princes Highway to turn into Tivendale Road in Officer. I could not believe this was not a major road priority for the state government. Despite what the Labor Party would have the Australian people believe, the economy does not run on autopilot. The Howard government is only in a position to fund these projects because of its strong record of economic management.

If the state Labor government with its full coffers cannot manage the Victorian economy, what chance does federal Labor have with the $1 trillion Australian economy?
is something all Australians should remember when they vote later this year. In closing, I again congratulate local residents. I am especially pleased that those couple of minutes it took to fill out the survey turned out to be time well spent. Because of the support by residents in La Trobe, I was able to demonstrate to the Australian government just how important improving the safety of Wellington Road is to the local community, especially in Emerald, Cockatoo, Avonlea, Gembrook and beyond.

**Gorton Electorate: Medicare Office**

Mr BRENDAN O’CONNOR (Gorton) (7.49 pm)—I rise tonight to respond via this parliament to the Minister for Human Services, Senator Christopher Ellison’s response to my letter requesting that a Medicare office be located in the electorate of Gorton. The electorate of Gorton is one of the fastest growing, if not the fastest growing, electorates in Victoria. In fact when the redistribution was underway in Victoria five or six years ago the boundaries of the new seat of Gorton were constructed around what was then the lowest population of voters in any of the 39 divisions that make up the state of Victoria. Since then the population of voters in Gorton has gone from 39th to 2nd in the state. Only McEwen has more voters in the divisions that make up the federal electoral divisions in Victoria.

That is a very strong indication of how fast the population in my electorate has grown. It has done so because I have two very major transport spines, the Calder Freeway and the Ballarat Highway, where there are communities growing at an exponential rate. Cairnlea is a new suburb that abuts Deer Park; Caroline Springs had fewer than 2,000 people only six years ago and now has closer to 15,000. The Hillside and Taylors Lakes suburbs have grown out of sight. They were new estates. As a result, there is a need for increased government services, whether it is public transport that the state government must attend to or, in this particular matter, a Medicare office that is required for the constituents in my electorate.

In fact, I sent out a letter to the majority of the constituents of Gorton to ask them if they were concerned about the absence of a Medicare office and, in the space of three weeks, I received almost 4,000 responses—almost 4,000 signatures that now comprise a petition that I tabled in this place on Monday. I think it was 3,850 petitioners, petitioning the Commonwealth of Australia to provide a Medicare office for my electorate.

I initially wrote to the Minister for Health and Ageing, and that letter was forwarded to the Minister for Human Services. The Minister for Human Services, Senator Chris Ellison, has in fact written back to me and suggested that my constituents should be satisfied with a new initiative that the government has introduced called Medicare Easy-claim, ‘which allows patients to lodge their Medicare claims and receive their rebates through an EFTPOS machine in participating doctors’ surgeries’. I think the operative words there may be ‘in participating doctors’ surgeries’, something I should explore. I am happy to say that that sounds like quite a good initiative, but it is not going to provide a sufficient level of service to people who want to attend an office and receive a rebate after expending enormous amounts of money on health care for their family. Many of my constituents need immediate financial relief; they are not in a position to outlay a lot of money and not get immediate reimbursement. Why should the electorate of Gorton, an area that has a relatively low socio-economic set of constituents, be disadvantaged compared to far wealthier suburbs and electorates in Melbourne and indeed across the country? Why is it that they will not get a Medicare office? It could be located at Wa-
tergardens, which is the fastest growing commercial hub of the electorate. That was my proposal.

I hope that the minister can reconsider his position. I hope this government can reconsider its position and attend to the needs of constituents in the electorate of Gorton. I will not give up—I make this pledge now—until we have an office in that electorate. We deserve it. It is something that is found in every other electorate, and it should occur very soon. *(Time expired)*

**Housing Affordability**

*Mr BARTLETT (Macquarie) (7.54 pm)*—There was some discussion in this chamber today about declining levels of housing affordability around the country, particularly in New South Wales. Much of that was rhetoric, not founded on fact. I thought it would be helpful to relay to the House some of the findings of a fairly detailed report—in fact, a very thorough report—from the Property Council of Australia, released earlier this year. The Property Council identifies a number of major reasons for the decline in housing affordability. The first is limited land supply. It says:

> Limited land supply, induced by restrictive land release policies of state and local governments, is a significant driver of rising housing costs. Clearly, if supply is not keeping up with demand then there is upward pressure on prices.

For instance:

In Sydney in 2003/04, 3,500 lots were subdivided against underlying demand of 7,600 lots.

So only about half the required number of new blocks of land, of land releases, are coming onto the market, therefore putting upward pressure on the price of land. The report goes on to say:

Residential land undersupply is a major national issue which is now having long term affordability impacts, creating major market distortions and generating migration and inequality rather than urban consolidation. Limitations on land supply have already added just under $30,000 to the price of a block of land.

So the first reason they identify is the lack of land. The second reason is infrastructure costs. The report says:

> … state and local infrastructure levies applied to new home buyers under a ‘user pays’ argument are adding significantly to the combined weight of government taxes and compliance. It goes on to elaborate that, instead of the principle that operated in the past, whereby state governments and local councils took care of many of the infrastructure costs—the roads, the planning, the electricity, the water and so on—now, under the adoption of a user-pays approach, those costs are added to the cost of the land and the purchaser of the land has to meet the costs of those infrastructure facilities that are part of new developments. So, secondly, the change in state and local government policies towards development has added substantially, the report says, to the price of land.

The third reason the report gives—and this is probably one that we would not have an argument with—is the increased environmental compliance costs, which have also added to the cost of new housing. The report states:

> These costs in NSW now add between $14,000 … and $25,000 to the cost of a new home unit.

That is perhaps a price that we might argue is justified because we all want to make a contribution to addressing environmental issues. The fourth reason the Property Council identifies is levies and charges by state and local authorities. The report says:

Government related taxes, fees, levies, charges and compliance costs are also adding enormously to the cost of new housing. These … costs have increased by typically between $50,000 and $100,000 (even more in NSW) in the last five years alone.
So state and local government charges have substantially added to the cost of land and housing in Australia.

If you add those four things together—the shortage in land supply, increased infrastructure costs and environmental costs and the outrageous, exorbitant taxes and charges levied by state governments and local authorities—you have most of the reason for the rise in the cost of housing and the reduction in land and housing affordability.

The other point I might make is this: if interest rates were not as low as they are now, if interest rates were even close to the 12.75 per cent they averaged right through Labor’s 13 years in government, affording a house would be almost impossible. One of the saving features now is that interest rates are far lower than they were under the last government. The last thing we need is a return to the inflationary policies of Labor that would put upward pressure on interest rates and make housing far less affordable than it is now.

Question agreed to.

House adjourned at 7.59 pm

NOTICES

The following notices were given:

Mr Brough to present a Bill for an Act to amend the law relating to family assistance and social security, and for related purposes. (Families, Community Services and Indigenous Affairs Legislation Amendment (Child Care and Other 2007 Budget Measures) Bill 2007)

Mr Pearce to present a Bill for an Act to amend the Corporations Act 2001, and for other purposes. (Corporations Amendment (Insolvency) Bill 2007)

Mr Lindsay to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: RAAF Base Amberley Redevelopment Stage 3, Qld.

Ms Burke to present a Bill for an Act to amend the Financial Management and Accountability Act 1997 and the Trade Practices Act 1974, to regulate the transmission of personally identifiable information for processing outside Australia, and for related purposes. (Privacy Protection for Offshoring Bill 2007).
The DEPUTY SPEAKER (Mr Jenkins) took the chair at 9.30 am.

**STATEMENTS BY MEMBERS**

**National Youth Week**

Ms MACKLIN (Jagajaga) (9.30 am)—To celebrate National Youth Week and showcase the talent of the young people in my electorate, I had a youth week roundtable in my Heidelberg office on 16 April. I organised this roundtable so that I could listen to and learn from this very impressive group of teenagers. Eleven student leaders from five local secondary schools came very confidently into my office and spoke to me about the things they thought were important in both our local community and their world. A number of concerns were raised, ranging from local issues, including littering and graffiti, to big picture issues, including climate change, the drought and industrial relations.

One thing the students emphasised was the issue of respect. Sometimes teenagers do not show enough respect to each other. They felt that sometimes teachers and the media also needed to lift their game in showing respect to young people. They continued this theme of respect when talking about littering and graffiti around their schools and communities, showing a lack of respect for the individual as well as for the broader community.

Obesity, both the increasing number of young people with this problem and how overweight people are perceived, was also discussed. These students had obviously thought deeply about this issue and were certainly concerned that many Australians are getting more and more obese and less and less healthy. Another strongly held view was that those very skinny models in fashion magazines should not be held up as a body image to aspire to.

Interestingly in a city electorate, the drought was an issue for these students, and they spoke about it for some time. It is a very genuine concern that they have. They worry that many people do not sufficiently understand what they themselves can do about water conservation. A number of the students are involved in promoting water conservation. It was encouraging to learn how students and their schools are being active in their efforts to reduce water use. Our Lady of Mercy College, for example, held a fete where the money raised went towards the purchase of water-saving devices.

Another big picture issue for the students was for governments to look at reducing carbon emissions and developing technologies and research funding for alternative energy sources. The students were unanimous and had very strong views that they did not want Australia to use nuclear power. These teenagers want people to be active in addressing the challenge of climate change by reducing their energy use and focusing on simple issues as well as making sure that governments pursue these matters. I seek leave to table the names of the students who participated.

Leaf granted.

**Flinders Electorate: Medicare Office**

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for Foreign Affairs) (9.33 am)—In recent weeks I was approached by Ms Nina Muller of Hastings. Nina set out her view that Hastings was in need of a Medicare facility as part of the existing Centrelink facil-
ity. She notes that Hastings is relatively poorly served by public transport and that the nearest Medicare offices were in either Mornington or Frankston. Mornington is not really accessible by public transport because of the hub and spoke system and there is no hub around to Mornington. This means that people have to travel to Frankston, which is a long trip. For many elderly residents it is not achievable so they have to wait some time in order to either make or receive their Medicare claim.

Her proposal is that Hastings develop a co-located Medicare facility with the existing Centrelink office. The Centrelink office was established in 2002. I was delighted to have had the opportunity to open it. I think it is a good proposal. It is one which I will be supporting. I have had the opportunity and taken the time to speak with the Minister for Human Services, the Hon. Senator Chris Ellison. He was very supportive, and he set out some of the requirements that we would need to establish in order to prove community demand. His fundamental position was very simple: in theory and in practice this should be achievable, but we as a community need to demonstrate that there is demand and desire for such a Medicare facility, serving Hastings, Somerville, Tyabb, Bittern, Crib Point and the surrounding community.

With Nina, I will be launching a petition asking the Minister for Human Services to consider a Medicare facility for Hastings as part of the Centrelink office. I would urge all local residents to take up the opportunity to sign the petition, to show that we have a demand. I think that this would be a great step forward. It is not a radical transformation, because we could use the existing Centrelink office, but it would be a sensible evolution. Therefore, my office and I, and Nina Muller, who is doing a fantastic job and has a great history as a community worker, will be distributing this petition to the shops of Hastings. I invite residents of Hastings, Tyabb, Bittern and Somerville to seek out such a petition, to sign up to it and to help in the partnership to achieve a Medicare facility for Hastings.

Mount Isa Mining Expo

Mr MURPHY (Lowe) (9.36 am)—From 30 April I represented the Leader of the Opposition, the Hon. Kevin Rudd, for three days at the 13th Mount Isa Mining Expo. I wish to pay tribute to Mount Isa’s Chamber of Commerce President, Mr Dave Glasson, firstly for the invitation to the mining expo and, secondly, for the great job Mr Glasson does for the chamber and the citizens of Mount Isa. I also acknowledge the great work done by its very popular mayor, His Worship Ron McCullough.

In his opening address at the mining expo, Mr Glasson acknowledged the support of the sponsors and exhibitors. Mr Glasson made some very important observations and, in the short time available to me this morning, I would like to share a little of what he said:

… with all the hype we hear about the good times that every one seems to be enjoying at the moment. I think we need to stop and think for a minute and perhaps just move away from the mining scene to the local scene. A lot of local businesses and organisations and people in general are having trouble keeping up with the boom. By far and away one of the biggest problems we are faced with is the shortage of labour, we hear about it and we are faced with it constantly.

With this labour shortage we see businesses struggling to offer their services in an efficient manner as they would like too, this then leads to services being brought in from out of town. Another problem we are all facing is that of accommodation. With the influx of workers we have seen the availability of accommodation becoming very scarce and this in turn is forcing the price of accommodation through the roof.
I think the governments both state and federal need to focus a lot more on regional centres, we need investment in some regional infrastructure projects. The Qld government’s economic triangle blue print is a step in the right direction.

Probably two important areas where money needs to be spent on infrastructure in the Mount Isa area are energy & transport.

We need an alternative energy source for this area, at the moment we are struggling to keep up with the demand that we have for power, clear evidence of this is Xstrata’s recent decision to build a 36 mega-watt power station just to keep up with increasing demand from their own mine expansion.

We need an alternative transport source to get export product out of Mount Isa and the surrounding region. It’s been talked about for years but the time really has come for Mount Isa to have a rail line that joins the Adelaide to Darwin rail network.

Another thing that needs some serious overhauling is the Zone allowance system. If we could get this increased and brought back into line in real terms as to what it was when it was first introduced we would create a huge incentive for people to come to regional areas such as Mount Isa.

I would like to salute the work done by the president of the chamber of commerce, Mr Glasson, and also its very popular mayor, as I said earlier, Mr Ron McCullough. I exhort all sides of politics in this chamber to support the citizens of Mount Isa, because Australia is certainly riding on Mount Isa’s back at the moment and will continue to do so for many decades. It is important for all of us living in the cities and elsewhere around Australia to support Mount Isa. (Time expired)

Volunteers

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (9.39 am)—Recently in Australia we celebrated National Volunteer Week. So, Mr Deputy Speaker, you can understand my concern when I read the Newcastle Herald last Saturday and saw on page 7 an article called ‘Helpers on the outer’. The article outlines a deal by the New South Wales Labor Party for the Premier’s awards in New South Wales to exclude anyone who is not in a Labor held seat from receiving a Premier’s award. This is political bias at its worst.

Two people have been highlighted in this, one from my electorate of Paterson. Mrs Hope Simpson is a lady from Karuah who is an advocate of the Tidy Towns Committee, has worked with Karuah Meals on Wheels for 12 years and is a long-serving member of the Karuah community centre. Mrs Simpson, along with another volunteer, Gladys Blackie from Arcadia Vale, which is outside of my electorate, has been told she will be excluded from the honour of receiving a Premier’s Community Service Award because her sitting member is not a member of the ALP.

I thought that the Premier was supposed to represent all people in New South Wales, not just those in the Labor Party. But the New South Wales government only allows ALP members to nominate constituents. This is a sham, it is a shame, it is disgraceful and it is politics being played out with the public purse. This issue should be about recognising those thousands of volunteers in New South Wales who have given so much to our community, not just those who happen to be in Labor Party seats, to prop up support for ailing members. The Premier is quoted in the article as saying that he has no intention to change the system. That is
not fair to volunteers like Hope Simpson and others in the community who do not happen to live in a Labor held seat.

Where is the difference between the federal government and the state government? The federal government produces a volunteers certificate signed by the Prime Minister and Mal Brough, which is open to everybody regardless of whether the seat they live in is held by Labor, Liberal, National Party or Independent.

Mr Melham—Tell us about flagpoles!

Mr Danby—Tell us about citizenship ceremonies!

Mr BALDWIN—The member interjects there because he believes that it should all be about politics. We do not. We believe it should be about the individuals in the community who put the effort in. As Mrs Simpson said in this article, ‘You don’t do it to be acknowledged but it is nice to be recognised.’ We recognise those volunteers, and over the next few months we will be holding events in my community to hand out volunteers certificates. They are available to all volunteers who have given to their community. I think it is a disgraceful attempt at politics the way that the state government of New South Wales uses its money in a way that is biased against you if you are not in an ALP held seat. They should be condemned for their action.

Fuel Prices

Ms LIVERMORE (Capricornia) (9.42 am)—Yesterday in the Courier-Mail we saw reports about more petrol price rip-offs that the government does not seem interested in doing anything about. Fuel industry consultants FUELtrac were quoted as saying that the oil giants were adding an extra margin by consistently charging 2c to 3c a litre more for wholesale petrol in Queensland than in southern states. Geoff Trotter, the spokesman for FUELtrac, went on to say, ‘And we are not sure why.’ That is the question. We are not sure why because the government refuses to give the ACCC the powers it needs to explain why that is the case.

But of course that is only part of the story. That article in the Courier-Mail and our question to the Prime Minister yesterday were primarily about fuel prices in Brisbane. Yesterday the price for unleaded petrol in Brisbane was 123.9c per litre, but up in Rockhampton and the places around my electorate the cost per litre is much higher. In Rockhampton yesterday it was $1.28 a litre, in Blackwater it was $1.26, in Mackay it was $1.26 and in Moranbah it was $1.35.

Mr Lindsay—$1.22 in Townsville.

Ms LIVERMORE—Exactly. It is $1.22 in Townsville. There you go. These are places that are similar in nature. We have provincial centres, Mackay, Rockhampton and Townsville, and a couple of mining towns, Blackwater and Moranbah, and there is a complete diversity of prices between all these centres in regional Queensland. That is the thing that people in my electorate are continually asking for answers about. It is not just the higher price; it is also what is behind this discrepancy. Well might they ask, and it is the kind of question we asked of the Prime Minister in question time yesterday—and of course we did not receive a satisfactory answer.

The answer really is that the government continues to talk about petrol prices but refuses to take the tangible action that it could take to do something about it. The Prime Minister said on 12 May:
We will again ask the ACCC to look at these prices. It is all about talking to the ACCC and looking at prices. But the fact is that at the moment the ACCC only informally monitors petrol prices. The Treasurer needs to write to the ACCC and request that it conduct a formal inquiry into petrol prices under part VIIA of the Trade Practices Act. For 11 years the Treasurer has refused to take that step. Obviously he does not care about how much petrol prices are hurting motorists in Australia, but the Labor Party does care about it. We understand that petrol expenses take up a large part of the family budget, so we in the Labor Party have said that we will give direction to the ACCC to formally monitor petrol prices. We will give the ACCC the power it needs to get behind whatever racket is happening in Central Queensland, as these petrol prices in Rockhampton are so much higher than—

(Time expired)

James Cook University

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Defence) (9.45 am)—James Cook University has done it again. The tourism academics in Australia’s leading regional university have made the university the highest ranked institution in the world when it comes to tourism research. What a wonderful achievement.

An investigation by two researchers from the University of Calgary in Canada nominated the 57 leading scholars in tourism, and JCU has four of the scholars on the list. The Texas A&M University and James Cook University are the leading employers of leading tourism scholars, and that is a wonderful outcome. Our vice-chancellor, Professor Sandra Harding, observed—and I support the observation—that James Cook is a world leader in many areas. Congratulations to James Cook on that achievement.

That is why a survey recently has found that North Queensland employers have a preference for locally educated graduates. Almost 50 per cent of North Queensland employers that were surveyed have already employed JCU graduates and 79 per cent said that they found JCU graduates were an attractive option. The survey looked at whether employers would want to employ somebody from the north who was educated in the north, somebody who grew up in Brisbane and attended James Cook, or somebody who was from the north and attended UQ. A clear preference among local employers was for the people who grew up in the north and attended James Cook University. So, clearly, JCU is doing very well indeed. When the students were interviewed, they had comments like:

[JCU] has world leading science research and student-centred learning.

Another student said:

I live in Cairns and JCU has an excellent reputation, so why travel elsewhere?

One student also said:

I wanted to go to a smaller university where I was a name, not just a number.

That is a wonderful endorsement of James Cook University. I am pleased to announce that there are now 30 Commonwealth learning scholarships, worth more than $300,000 in total, available to those who want to undertake studies at James Cook. Those scholarships are available for the midyear intake. Twenty of them provide $2,120 a year for up to four years, and the other 10 are Commonwealth accommodation scholarships worth $4,240 a year. I encourage people to take those up.
Banks Electorate: Hannans Road Public School

Mr MELHAM (Banks) (9.49 am)—Hannans Road Public School in Riverwood, Sydney, celebrated its 50th anniversary between 24 and 26 May this year. This proud public school has served its often disadvantaged community extremely well over the decades. From its first years, when its students mainly came from families living in a converted US army hospital behind the school, to today, when it serves a mainly low-income community, it has always strived to give its students the best possible teaching and learning in the best conditions possible. While the first buildings had no lights or heaters, with teachers having to bring in their own radios so students could listen to music, today’s are air-conditioned and have excellent resources due to families over the years committing themselves to providing improvements to facilities and often fighting bureaucracy to achieve these goals. The school has been classed as a Priority Schools funded school for many years and has used the funds provided by the program to invest in staff development and resources that improve student learning.

The school won a New South Wales director-general’s award—a national literacy and numeracy award—in 2004 as a result of its ability to add value to student learning. The school has always had students from a variety of backgrounds and while the backgrounds have changed over the years the ability of students to relate to each other and appreciate the value of individuals has not. Over the three days of celebration at the school, many past students and staff joined its current community in reflecting on the achievements of the school. The motto of the school is ‘Serve and Grow’. This school has certainly served to grow many successful members of the Australian community. Congratulations, Hannans Road Public School, on the achievement of this milestone in your educational journey.

This did not happen without inspired leadership, and in recent years the principal, John Boland, has provided outstanding leadership to the school. He is quite rightly highly respected within the community and there is admiration for him. I had the pleasure of attending the school’s celebrations on Saturday 26 May and what I saw really pleased me. I saw the principal of the school in there getting his hands dirty. He was MC-ing the concert that was going on. He was getting around the community and showing by example leadership to his fellow teachers and to the students. And the students and teachers are proud of their school. I have witnessed it over the years that I have had the honour to represent that school in the federal parliament. For the next election, unfortunately, the school has been redistributed into the electorate of Watson, and Mr Burke will be very fortunate to have that community going into his electorate. That is what has happened throughout the history of the school: it has been in and out of the electorate of Banks because it is on the fringe of the electorate and so redistributions have affected it. But I am proud to have been associated with the school in the time that I have been a member.

Queensland: Local Government

Ms GAMBARO (Petrie—Assistant Minister for Immigration and Citizenship) (9.52 am)—Today I wish to speak about another example of the sheer arrogance of the Beattie government in Queensland. Local government in Queensland had started undertaking reform with the size, shape and sustainability review, which was investigating shared services, regional cooperation and voluntary boundary changes between councils throughout the state. Work on the triple S study was well underway, with some significant progress having been made,
when, without any warning whatsoever, Premier Peter Beattie and his junior local government minister announced a full review of local government in Queensland. This new study will be on Beattie’s terms by a group of people handpicked by Beattie and in a time frame set by Beattie. There was no consultation with the local governments or community that these changes would take effect. This review was imposed on all of us without any warning. To date, the work on the triple S study has meant absolutely nothing.

When the Beattie government mates bring down their decision in September, I am told that local governments in Queensland will be dissolved and run by interim committees headed by union hacks appointed by the Premier. Mayors across Queensland who have had significant experience will be thrown out and replaced by people who have absolutely no experience in running local government. And under the Premier’s plan, the sustainability of communities throughout Queensland will be in the hands of pencil pushers and bean counters in George Street in Brisbane who have not even visited the communities that they purport to represent. This is another example of the state government cutting funding to essential local communities. In place will be a system to wind things down and replace these councils with centralised, faceless, faraway organisations with no connection to their communities.

Make no mistake: these changes will lead to significant job losses for the people in local government throughout the state and will rip the heart and soul from local communities.

Ms Burke interjecting—

Ms GAMBARO—I am glad that the member opposite interjects, because the worst example of this was what occurred in Victoria under a similar process. The job losses will include men who do the work on the roads and people who work behind the counter in the corner store. There is no doubt that Queensland families will suffer.

Ms Burke interjecting—

Ms GAMBARO—And the member continues to interject. She knows full well how devastated some Victorian communities were after those amalgamations and it will be no different in Queensland. It will have an absolutely devastating effect on communities. It will ruin the local character and it will be the death knell for local tourism and regional status. The City of Redcliffe in particular is a prime target at the moment. Are these the sorts of new communities that we want? The Prime Minister recently described Beattie’s plan for amalgamation of local government in Queensland as an abuse of power, and it is exactly that. It is an abuse of power and it will ruin tourism, small business and development in rural and regional Queensland. It will destroy local economies. (Time expired)

His Excellency Mr Kostas Karamanlis

Ms BURKE (Chisholm) (9.55 am)—I want to put on record my thanks for a historic visit last week by the Prime Minister of Greece. The visit by Mr Karamanlis was the first ever from a Prime Minister of Greece. It demonstrates the unquestionably strong ties between our two countries. It was not only the Prime Minister of Greece who came but also the foreign minister and one of the senior members of the government, who is affectionately known by everyone as ‘Dora’. The Prime Minister of Greece not only graced Canberra; he also had the foresight to visit my electorate of Chisholm, where the heart of the Greek community lives in downtown Oakleigh. There were scenes in Eaton Mall which were more akin to the visit of a rock star. There were crushes, there were throngs, there were hugs and there were kisses. It
was a fantastic sight all round. It demonstrates the strong ties between our two countries and also the strong ties that many Greeks over numerous generations have kept with their country of birth.

The Prime Minister of Greece also visited St Anagiri, the Greek Orthodox school across the road in the Treasurer’s electorate. The community has established and run the school to keep alive not only their Greek culture but also their language, their religion and their traditions. They do not—as so many reports have said—stay out of society but, by keeping their traditions alive, they have amalgamated them beautifully into my electorate of Chisholm, and we are all the richer for it. When you go down to Oakleigh you cannot help but enjoy a fantastic Greek meal, great Greek coffee and just the vibrancy of the area. The Greek community have made a contribution not only through their culture but also through their business enterprise, and we need to recognise that. The area of Oakleigh has actually gone through the roof because of the trials and tribulations of the Greek community in that area. They have run their businesses well, they have supported their families well, they have educated the next generation of professionals—doctors and all the rest of it. They came here for a better life not for themselves but for their children, and this was on show with great pride last week when the Prime Minister of Greece visited.

I also want to say that, after two long decades of many negotiations, we saw the historic signing of the social security agreement. This is a great pact. Sadly, we do not know a lot of details. Although we welcome it, and the Greek community welcomes it, we want to see the details. We want to be sure that, after two decades of waiting for this social security agreement, the Greeks in the community are not left worse off but that this agreement actually signals a betterment for the Greeks in our community. So, while we are very thankful and we welcome the historic signing of this agreement—which has taken a long time to get there—we want to ensure that it is actually for the betterment of the Greek community. Greeks are hard negotiators, they haggle hard, and they work hard, so obviously it took a long while to get there. But we want to ensure that this agreement is actually in the best interests of the Greek community.

It was a fantastic day down in Eaton Mall and at St Anagiri’s, where the Greek community was definitely on show and full of pride. I want to thank the organisers. There was a bit of concern about security in the crush, but I think everybody has a fantastic day.

Canning Electorate: Power Blackouts

Mr RANDALL (Canning) (9.58 am)—It is with some sadness that I inform the House today that the Canning electorate is the home of almost one-third of Perth’s most frequently blacked-out suburbs in metropolitan and outer metropolitan areas of Perth. In fact, localities in the electorate of Canning such as Roleystone, North Dandalup, Jarrahdale, Kelmscott, Thornlie, Westfield, Canning Vale and Karnup make up a very dishonourable list of frequently blacked-out suburbs. In fact, the locality of Roleystone has the state’s worst blackout record of 2,183 paying customers reporting more than nine blackouts in 2005-06. These outages go for hours. They are not just quick little outages for five or 10 minutes. These outages go for well over half an hour, sometimes hours. Local businesses and families are suffering terribly, because the lack of power destroys stock and it destroys businesses that are trying to get on with their work. Of course, families are disrupted when they sit down to dinner in the evening, wanting to enjoy their time together, because they have to run around trying to find al-
ternative sources of light. This is a disgrace in this modern day and age, and the Western Australian state government should be condemned for it. The Carpenter government should deliver this fundamental service—electricity—to families, communities and businesses. There is no excuse for these sorts of blackouts in a modern economy like Western Australia’s, because the Western Australian economy is booming. It is achieving outstanding results in terms of not only business but also wages and growth.

The Carpenter state government recently announced a $2 billion surplus. The surplus is coming not only from the rich business revenue but also from the rivers of gold, which are the GST benefits to the states. Every cent of the GST goes to states. It is a growth tax. You would think they would use that to upgrade the power in areas of my electorate. The energy minister, Mr Francis Logan, has acknowledged this. He stated that he knows it is a serious problem but that it will not be rectified until 2011. What a disgrace!

In one of the fastest growing regions in Western Australia, in the area that I represent, they cannot keep the power up. They are just turning a blind eye. The fact that people have to come to me as a federal member, because their state member will not do anything about it, demonstrates this. In a very short period of time I had more than 3,330 locals sign a petition calling for the immediate upgrade of services. I have had Helen Morton, the upper house member for the East Metropolitan Region, table this in the upper house. I am going to have to stand up on behalf of businesses and families in the Canning electorate, because the Western Australian state government has fallen short of delivering the basic services and needs of the people of my electorate.

The DEPUTY SPEAKER (Mr Jenkins)—Order! In accordance with standing order 193, the time for members’ statements has concluded.

APPROPRIATION BILL (No. 1) 2007-2008

Cognate bills:

APPROPRIATION BILL (No. 2) 2007-2008

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 1) 2007-2008

APPROPRIATION BILL (No. 5) 2006-2007

APPROPRIATION BILL (No. 6) 2006-2007

Second Reading

Debate resumed from 28 May, on motion by Mr Costello:

That this bill be now read a second time.

upon which Mr Tanner moved by way of amendment:

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

“whilst not declining to give the bill a second reading, the House is of the view that:

(1) despite record high commodity prices from surging demand from India and China and rising levels of taxation, the Government has failed to secure Australia’s long term economic fundamentals and should be condemned for its failure to:

(a) address Australia’s flagging productivity growth;

(b) stem the widening current account deficit and trade deficits;
(c) attend to the long term relative decline in education and training investment undercutting workplace productivity;

(d) provide national leadership on infrastructure including a high speed national broadband network for the whole country;

(e) expand and encourage research and development to move Australian industry and exports up the value-chain; and

(f) reform our health system to equip it for a future focused on prevention, early intervention and an ageing population;

(2) the Government’s failure to address the damaging consequences of climate change is endangering Australia’s future economic prosperity;

(3) the Government’s extreme industrial relations laws will lower wages and conditions for many workers and do nothing to enhance productivity, participation or economic growth; and

(4) the Government’s Budget documents fail the test of transparency and accountability”.

The DEPUTY SPEAKER (Mr Jenkins)—Before the debate is resumed on Appropriation Bill (No. 1) 2007-2008, I remind the committee that it has been agreed that a general debate be allowed covering this bill and orders of the day Nos 2, 3, 4 and 5. The original question was that this bill be now read a second time. To this the member for Melbourne has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The immediate question is that the words proposed to be omitted stand part of the question.

Mr ANDREN (Calare) (10.02 am)—This budget has been described as an ‘election year epic’ by Peter Hartcher in the *Sydney Morning Herald*. He says the Treasurer has:

... kept in mind the *Yes, Minister* definition of gratitude in politics. As ... Sir Humphrey ... put it, “gratitude is merely a lively expectation of favours to come”.

Those favours will come over the coming months as the government dips into its magic pudding, a revenue stream born of a minerals boom the like of which this country has never seen, except perhaps in the gold rushes of the 1800s and the boom times of the sixties. The government is including in this largesse the inappropriate use of funds like Regional Partnerships again, as we saw in the last campaign.

But it is likely to be a false boom, a boom of fool’s gold, unless we recognise that the very extraction of minerals, especially coal, that is feeding the accelerating GDP of China and India in particular could also fuel, in the possible absence of a geosequestration solution, the demise of the modern economy as we know it. We must reinvest that income in truly clean, green energy alternatives that will eventually replace the fossil fuel addiction of the Western world and now, to such a degree, the eastern world. The Treasurer said in his budget speech:

If we lock in the achievements of the past this will help us with the challenges of the future.

However, if the achievements of the past include our almost total dependency on the revenue from the fossil fuel industry then there is no way we can meet the challenges of the future. The government will soon make an announcement on its policy approach to global warming, as it examines the prospects for carbon trading. This budget sadly lacks any serious addressing of global warming apart from an advertising campaign to promote so-called clean coal and, no doubt, nuclear energy.

The doubling of rebates to install solar panels to $8,000 only restores the subsidy that was in place to 2005. Grants of $12,000 for solar in schools should have been expanded to solar
panels for every air conditioner installed in homes and public buildings, along with a requirement that they be installed in commercial premises to offset air conditioning energy use—one use that will increase substantially with the warmer summers expected.

Where is the incentive to invest in solar thermal and geothermal technology which have been shown by CSIRO scientists to be capable of providing baseload power if seriously developed? To do this we need to put a price on carbon emissions. Carbon trading will not achieve that in my book. Few believe it offers the incentives needed for the cutbacks required over the next decade. A carbon tax would create that incentive and be far more transparent in its application and understanding by both the polluter and the wider community. On top of this we should have a meaningful mandatory renewable energy target that will act as a true incentive for investment in alternatives, especially wind, solar thermal, geothermal and wave. Recent news of a proposed geosequestration plant in Western Australia sounds good but the technology is in its infancy and is yet to be proven, despite some encouraging results from a similar plant off Norway.

The transferral from dirty electricity to clean renewables is attracting investment and providing new jobs around the world. In 2005 global investment in renewable energy was $US38 billion and growing. It has accelerated way beyond that in the past 18 months. A European Union report predicted an extra 900,000 new jobs in the sector in Europe by 2020. There were already 25,000 jobs in Germany’s wind energy sector alone in 2002. California is leading the way, welcoming Australian-developed solar thermal technology with open arms as it generates around 20 per cent of power in Los Angeles from solar thermal, among other proactive clean, green energy industries. Yes, it has nuclear, but even Arnold Schwarzenegger cannot answer the question of where to bury American nuclear waste. Yucca Mountain waits as the preferred option, but the technology is just not available. Renewables contribute 11 per cent of California’s energy needs and this is growing rapidly, while nuclear provides about 12 per cent—not 27 per cent, as the Prime Minister indicated yesterday—and remains a hugely expensive and socially divisive option that cannot, in its full cycle, be remotely described as clean.

Elsewhere in this budget, the recognition of the need for more dentists trained in this country is welcome, with the announcement of the dental school for Charles Sturt University. Credit for this must go to the Rural Dental Action Group, led by Marj Bollinger and Dr Cath Errey, who have headed up the lobby in the central west for some years. It is a lobby that resulted in over 1,000 signatures on a petition being presented to this chamber by me in 2005 calling for urgent attention to the lack of dental services and training of dentists. The combined pensioners and superannuants in Bathurst and Orange, along with the Australian Dental Association, can also take credit for this outcome.

The other side of the dental equation—the treatment of public patients now under Medicare—has been boosted with up to $2,000 a year now available for chronic dental needs. However, the limited Medicare cover first introduced two years ago by the government has had very little impact on the 650,000 low-income people on waiting lists for public dental care in this country. Because the $200 worth of care on offer was so minimal it seems no-one reckoned it worth their while to seek help. It certainly does not cover root canal therapy or other complicated dental procedures. It seems strange that, while people are lining up to claim the very welcome mental health Medicare cover, for some reason the dental care subsidy, lim-
ited as it was, had largely failed to be accessed—and I have that on excellent authority. I hope that the increase from $77 to $125 for the initial consultation and the $2,000 per annum increase per patient will boost that usage.

The tax cuts of $14 a week for incomes up to $30,000 and $28 a week for incomes up to $75,000 are welcome but are rapidly disappearing—into the petrol tanks of the family car—before they have even arrived. This only underlines the fact that the vast majority of people want services before tax cuts—services like dental care, aged care and more allied health professionals such as counsellors and therapists. People like Julie Ridley from Caragabal, near Young, in New South Wales wonder whether there is any commitment to anywhere near sufficient specialist disability funding for people like her husband, who is suffering motor neurone disease.

The use of one-off bonuses is a crude political device that is all about vote-buying, but I doubt it will convince most recipients. Whether it is $1,000 for carers or $500 for pensioners, it is little compensation for the unmet needs of disability carers, disability pensioners or other pensioners never fully compensated for the GST or cost of living increases. The tax cuts for the well paid will significantly widen the gap between the winners and the needy in our society. Just over 10 per cent of taxpayers at the top end of the scale received more than 40 per cent of the $31 billion on offer from across-the-board tax cuts to salaried employees in this year’s budget.

I now turn to spending on Indigenous programs. This budget distributes $236 billion that has been generated by arguably the most prosperous time in our history, but it is a false prosperity—a prosperity that is favouring the already richly endowed in our society, a prosperity that delivers $33 million salaries to some and no dentures to others. An Aboriginal child in Australia is likely to die before his or her counterpart in Bangladesh. The difference in life span between an Aboriginal and non-Aboriginal person is almost 20 years. Last week, the National Heart Foundation of Australia released figures showing why it is so appalling that a mere $30 million extra dollars has been found this year for Indigenous health programs. A prosperity that is born largely of mining, often on Indigenous lands, can find but $30 million extra dollars. As the Heart Foundation points out, when Indigenous Australians are admitted to hospital with coronary heart disease, they have a 40 per cent lower rate of being investigated by angiography, a 40 per cent lower rate of coronary angioplasty or stent procedures and a 20 per cent lower rate of coronary bypass surgery, and they are missing out on lifesaving medications for cardiovascular disease. What is going wrong here? Is our health system ranking clients according to socioeconomic status? What prejudice is at work?

Twenty years ago I saw how Aboriginal mothers were reluctant to take their kids in Orange, many with serious inner ear and other infections, to a baby health centre because of an understandable reluctance to deal with a non-Indigenous health system, however committed the workers were. Indeed, just last week Tyrone Toomey, project officer at the Centre for Rural and Remote Mental Health at Bloomfield, in Orange, called for public health staff to receive training in Aboriginal cultural awareness and for Aboriginal representatives to be available at consultations. Mr Toomey has made recommendations as a way of overcoming a fear among Aboriginal people about using health services. This is in the year 2007, not 1977 or 1967. Why, for heaven’s sake, has it taken so long for this most basic and obvious training

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and these service requirements to be put into a report, let alone to be taken seriously enough to be widely acted upon?

Several years ago, I watched an SBS program on which Indigenous communities in the Top End of Australia would not accept advice on better hygiene needs for children around dogs and the relentless worm infestation cycle that was prevalent in these communities. The advice was coming from non-Indigenous doctors. However, hygiene practices changed only after they were explained by specially trained Indigenous workers, who handled the situation in a more culturally appropriate and understandable manner. So, too, has the training of assistant nurses and enrolled nurses through distance education within their communities been recognised as a more appropriate way of training. I realise that culturally appropriate training and service delivery is a part of the policy mix in some instances, as with the changes made in that program in the Top End, but it seems that many communities, especially in less remote and regional areas, are automatically regarded as mainstream. Mainstreaming services is not the answer. Specific training delivered by communities and a properly funded Aboriginal health service would seem the only way forward in beginning to address these terrible statistics.

To this end, the extra 1,000 Indigenous scholarships and the extra budget for Abstudy are very welcome. The parlous state of Aboriginal cardiovascular health comes on top of the well-documented poor mental health and drug and alcohol treatment outcomes for these people. Indeed, the Urbis Keys Young report, established by the minister, into the mental health outcomes of the Link-Up and stolen generation programs and counselling services, showed that there were up to 80 clients for each counsellor, compared with the mainstream of 25. The report listed the real health and social consequences of removal policies: ‘Loss, trauma, grief, offending behaviour, adverse life outcomes, substance abuse, higher rates of mental health problems, suicide and violence, parenting problems and poor physical health.’ These are the outcomes and the end results of processes that I believe have failed over many years to address the mental health and social consequences that still stem from the stolen generation shame.

While the mental health outcomes are good in some cases, where sufficient support is available, the Urbis Keys Young report says the program has been poorly coordinated and insufficiently targeted. The minister has promised an extra 22 workers, but New South Wales Link-Up tells me this week that they have up to 200 clients per case worker. I wonder if state or federal governments have really done a proper audit on the extent of the need in this area. On top of this, the AMA’s Indigenous health report card released last week shows that the life expectancy in Indigenous communities remains at the overall national average of 1920—that is, 59 for men and 65 for women, compared with 77 for non-Indigenous males now and 82 for non-Indigenous women.

I will move to education now. While the government centrepiece Higher Education Endowment Fund is prima facie very welcome, it does not disguise the fact that education funding as a proportion of government expenditure has been decreasing every year while other OECD nations have increased their funding. The policy also does not spell out the micromanagement of university policy that access to such funding will entail. There is a reported $1.2 billion maintenance and infrastructure backlog in the universities, and $300 million to $400 million per year funding for approved capital expenditure will obviously be welcome. Extra
money for research will also be welcome, but this government has slashed public research funding from 0.4 to 0.29 per cent of GDP in the past 11 years.

Given a worsening skills shortage, the funding of up to five per cent over-enrolment in HECS places is a positive turnaround. Increased funding for HECS places in a number of key areas is also welcome, especially in mathematics and statistics. (Quorum formed) Whilst I agree that students should contribute to part of the cost of their education, I do not believe in saddling students with frightening debts of between $50,000 and $200,000 at the beginning of their working lives. An educational advantage should not be a factor of having well-off parents.

The increasing flow of the federal public education dollar to the private sector is highlighted by the fact that nearly 70 per cent of Commonwealth school funding goes to 13 per cent of the nation’s school students, in non-government schools, which now also outstrips public investment in higher education. Thus, while Commonwealth school funding is rising, it is going to the private and, in many cases, the most privileged schools. This is courtesy of the SES, socioeconomic status, formula based on the postcode where the student comes from. It does not take much imagination to see how a child from a privileged background could benefit from the low socioeconomic status of a region from which he comes.

It stands to reason that the most effective way of measuring school needs would be for all schools to use a bar code, if you like, containing the agreed criteria to measure a school’s basic requirements, and for a proper audit to run over each and every school’s bar code. When a red light shines in any category, until and unless that red light is turned to green, there should be no further funding on a general basis until that school is brought up to a level of basic requirements. That should be part of an audit of all schools, but we lack that sort of objective measurement that would satisfy parents and the general community that we have a fair education funding system in place.

The Fairfax press’s Ross Gittins simply suggests that, at the moment, the bias in federal funding is anti public and pro private. I recognise the states and territories are largely responsible for the funding of government schools, but, as Gittins points out, the states still spend three times more than the Commonwealth on schools, despite the Commonwealth holding most of the money by raising 80 per cent of taxes.

The Commonwealth’s refusal to truly support public schooling is complemented by its ill-informed intrusion into the micromanagement of public schools, with performance pay a condition of funding for the next quadrennium. This is ideological nonsense; it is tampering in a process that is becoming divisive. Paying teachers bonus payments is mistargeted. Surely this sort of money should be going to the schools to provide the necessary facilities in line with that objective bar code measure, if you like, of schools having facilities and resources at the standard required.

The government’s contribution to the states and territories for TAFE has actually declined by about seven per cent over recent years, and yet TAFE trains 1.6 million students annually. We see not a cent specifically earmarked for TAFE. What we see is another $83 million for three new Australian technical colleges. And the end result of this $25,000 per ATC student each year? With a 200,000-person skills shortage, the outcome will be 8,400 students by 2009. This is duplication and waste. The $1,000 direct payment to young first- and second-year apprentices is welcome, but the overall funding and targeting of our TAFE sector is quite
deplorable and is again driven by some sort of ideological bent and is about usurping the control of tertiary education at a TAFE level by the states.

Elsewhere, spending in regional areas is marked by a proper response to the drought by way of farm support. The $280 million over three years for EC and the interim support pending EC status is very welcome. The additional financial counselling is welcome, but I would suggest that mental counselling is something that needs to be boosted significantly in the bush. I note the bitter disappointment of Regional Arts Australia at the rejection of its request for a four-year $60 million allocation. In all, it was a budget aimed largely at buying votes, not one generally investing in our areas of greatest need. (Time expired)

Miss Jackie Kelly (Lindsay) (10.22 am)—Mr Deputy Speaker, no doubt you are aware of my announcement last Friday that I will not be contesting the next election. This is an entirely personal decision, arrived at after much discussion with family and friends. I have been very conflicted. Being a woman of conservative values, I want to soldier on for the Liberal Party, but those very values are the reasons I feel I need to spend more time with my family, so it is with mixed feelings of both sadness and excitement that I discuss Appropriation Bill (No. 1) 2007-2008 and the related bills, this government’s 12th budget and our 10th budget with a surplus.

When I returned from Asia in 1992 after serving with the RAAF at Butterworth in Malaysia, I was appalled at the predicament this country was in. We had 18 per cent interest rates and 20 per cent to 30 per cent youth unemployment. It was a nation of welfare-dependent families with little hope for a brighter future. I was even more appalled by the apathy shown by many Australians with regard to the state of this nation and even more dismayed when they re-elected a Labor government under Keating in 1993—a government whose track record of governance was and still is appalling.

The very people responsible for those six consecutive deficit budgets leading up to 1996—the expenditure blow-outs, the mismanagement of taxpayer dollars and the mismanagement of the economy—remain on the opposition benches waiting for another chance to raid the taxpayers’ coffers, to hollow out the Future Fund and the endowment fund and every other stash of money that we have been putting away for any future call on superannuation by our military personnel or other public servants. It was that government that took the DFRDB—the fund soldiers had been putting into—and rolled it into consolidated revenue to be paid some time in the future. We have reversed that decision. We know our expenses, we have put aside for our future expenses and we have saved for future unexpected shocks—such as the seven-year drought that has rocked the farm exports of this nation. Does anyone really believe that the Leader of the Opposition is an economic conservative when he has Wayne Swan as shadow Treasurer? Mr Rudd is barely across the detail of his own party policy, and he has not been tested by devastating events such as terrorist attacks and tsunamis. How do we know that he will not be absent if there is another tsunami, for example, as his predecessor Mark Latham was absent last time—absent at a time of national crisis? Where is the testing of this inexperienced leader with a team of has-beens from the previous government?

The last 12 years have been an exciting period in my life, allowing me to be a part of what I am sure history will record as one of the golden periods of Australian political history. The legacy of this government will secure the future of both present Australians and many future generations to come and it would be irresponsible to change jockeys now.
I note that this budget also provides for our veterans, who have a special place in my and my husband’s hearts after our service in the RAAF, where we met. I have maintained my RAAF Reserve membership. Although I have been grossly inefficient—you must do 11 days a year to be considered efficient—I do intend to make up for that in retirement. I also intend to fully return to my favourite sports of hockey, as a player—and, who knows, I might even make a veterans’ carnival finally—and rowing, for which I have unfortunately allowed my coaching accreditation to slip. So I will be starting from scratch. But my new home on the banks of the Nepean River is ideally placed for my return to the sport of my youth, probably not as a rower but more in a coaching role.

I have re-read my maiden speech in the last few days and I will quote from it. It says:

I know the pomp and ceremony here in Parliament House is overwhelming. There is the danger of getting too used to the Comcars, the room service, the flash offices, the guttered roads and all the mod cons that insulate you from the failing small businesses, unemployment, bankruptcy, soup kitchens and the despair and depression of our youth. But eventually you must go back to the real world. If you have not looked after your real world in your electorate as you should have, then this prospect may frighten you. ...

I have given up my career for the people of Lindsay. There is no going back. I will fight for their interests because in the end I must return to live amongst them and I will do that with my head held high.

I think I have vindicated my maiden speech. I am thrilled with this budget, which is yet another instalment of this government’s good economic management. Obviously, I will return to whatever employment opportunities await me in the future, but I will always have a significant interest in the media and the interpretation of what goes on in the media. I will probably be a very prolific writer of letters to the editor. It is a luxury I have never indulged in as a member of parliament, but it is certainly one I am going to enjoy in retirement.

I noticed in the Daily Telegraph today there is a report on the ETU secretary, Dean Mighell. He describes employers as greedy ‘expletives’ and compares workplace inspectors with paedophiles, which I believe is probably as a result of their ability to stand up to the thuggish intimidation employed by the ETU. I know that from very personal experience because the ETU has established one of their Work Choices offices in my electorate, from which these thugs operate. I have been intimidated and my family has been intimidated by the ETU—particularly my husband, as an owner-builder of our own home site. They arrived with a Current Affair camera crew in tow making all sorts of allegations, which the workplace inspectors dealt with in an appropriate fashion—much to the chagrin of the ETU, which was seeking to score political points. So full credit to the workplace inspectors. I can see why the ETU has such a disparaging view of them.

Such intrusions into people’s homes are actually standard for the ETU and yet Mr Mighell says in the Daily Telegraph article:

... they’re not allowed to enter your home, which is pretty good because you just can’t be too sure of their orientation in terms of certain things—you wouldn’t want them near your home, wouldn’t want them near your children.

They do not want you near their homes and yet the unions are quite happy to enter yours. If the Labor Party and the unions—the ETU, the ACTU, the NUW and every other U—get their way at the next election, they will enter your workplaces. They do not like you doing it to them, but they will do it to you. Dean Mighell uses incredibly foul language and intimidation.
He admits to using strikes to get rewards from employers that unions do not deserve. I quote again from the article. He says:

Now we have kept that 4 per cent agreement across our industry and I’d like to know how many millions of dollars they’ve paid workers that we’ve racked up through that little bulls... stunt... it was good fun and it’s still there, so that’s a couple of pots [of beer]—Just remember, a little bit of bulls... put it aside every week, have a little smile when you have a beer because some d...head’s paid for that that shouldn’t have.

This is a return to the future. The unions are expending an enormous amount of money, effort and energy in trying to defeat this government at the next election because they know it is all on the line. We will not tolerate this intimidation. We will stand up to it and we will liberate the workplace and homes from that type of thuggery. Yet they are smiling all the way to the bank because they think: ‘Wow, it’s upon us. We’re looking good.’ It is a return to the bad old days of union intimidation. They did not like it when we reformed the waterfront. They did not like it when we reformed the tax system under the GST. They did not like it when we brought in workplace reform and unfair dismissals reform, and yet they turn around, after reaping the benefits of that prosperity, and say, ‘Oh, by the way, we’re economic conserva-

Such political tactics are part and parcel of the ALP campaign and their union mates. I have seen it and experienced it. I have been subjected to it, as have my husband, my children, my home and my friends—Jim Aitken and local councillors. We have constantly been intimidated, particularly by the ETU. I am fairly saddened by their lowly actions and cowardly tactics. I just wish more Australians could be witnesses to the way in which they operate, so that they could know how insecure our great nation will be if it is governed by the ALP, under union control. We have a number of unionists entering parliament, such as Dougie Cameron and Greg Combet, who are very fed up with the way in which the ALP has been dealing with their issues, so they are entering parliament to make sure that things are done right, and they would then hold office in all three tiers of government. It would be a very sad day indeed.

They are certainly coming at all of our candidates in our marginal seats. If you look at the Your Rights at Work website, you will see that they have targeted 19 seats. They have a very explicit campaign regarding what they are going to do in those seats, and it makes very interesting reading, in line with the leadership displayed by the secretary of the ETU in the Daily Telegraph today.

I congratulate local ALP branches for at least preselecting David Bradbury in preference to Mark Ptolemy—another ETU member—who was hoping to be the candidate in Lindsay. David Bradbury works for Blake Dawson Waldron, which designed the Work Choices legislation, and he is very supportive of our amendments to the fairness test introduced yesterday by the Minister for Employment and Workplace Relations.

I would like to acknowledge my husband. He has been a significant contributor to my political success. We have, together with Therese Rein and a number of other Australians, benefited enormously from the prosperity under this government over the last 10 years. He has been a significant contributor both financially and emotionally to my political success. I love him dearly and plan to give his career and direction sway for the next 10 years, as he has given me for the last 10 years. After that, all bets are off. His ability to cut to the heart of a
matter, to feed back popular opinion and to sculpt political strategies to get across our arguments and to articulate our values versus those of the ALP have been an incredible support for me. Both he and the many staff I have worked with, along with our dedicated supporters and the voters of Lindsay, have been the wind in my sails to achieve what I have achieved over my political career.

I would like to thank my first employee, Peta Demery, who helped me to select my original team of Margaret Connor, Christie Bickley and Nick Berman, and all of the other staff I have had since then until my current staff of Christine, Karen, Emily, Michael, Morghan, Anne and my volunteers, Irene, Trevor, Diane and Angie. They have been fantastic supporters. I hate to name people because I always leave someone out, which is always unfortunate.

Mr Baird—Am I there?

Miss JACKIE KELLY—My esteemed colleague Bruce Baird should be on my list, along with everyone else in this parliament. To my colleagues on both sides of the parliament—more particularly, I suppose, on our side: I will miss you. You have been a great part of my life. I will leave it at that.

I would also like to acknowledge my children, who, for their total lives, have only known a mother in parliament. I like to think I have been doing great things down here, and I think this budget demonstrates that it was worth while. The debt is finally paid; we are able to save for our future. I would like to thank John Howard for the opportunities afforded me in my various roles in this government, but in the end it was the 20 weeks a year, or 100 nights a year, away from home which led to my decision.

We have a challenge ahead of us. I think the community thinks that a good economy is something that is a fluke, that it is uninfluenced by the government’s ability, that it is just something that happens and that any political leader can achieve it. I would like to reassure those who have only started voting in the last 10 years that this is not necessarily the case. Look at your political history; look at your economic history. Although people are looking with interest at the leadership team of Rudd and Gillard, I say they should look behind them to the number of Keating members who are still there, such as Swan, Smith, Tanner, McMullan and the rest.

As for the future, we saw on Friday another instalment in infrastructure for our area, with the M2 extension to Dubbo. That is a vital piece of infrastructure which the local Labor representatives in the area oppose. The Iemma government oppose it. If they continue with that course, it will end up being a gaping hole like the Pennant Hills Road, to the north in Sydney, which is an absolute state disgrace. Get on board with the M2 extension to Dubbo now, build the infrastructure that our state needs now and do not leave future generations with the enormous cost of fixing that Pennant Hills logjam with a tunnel when you could have acquired the land at much less cost by resumption over the top many years ago.

I will still be around the Liberal Party in Western Sydney. I will be always reminding the voters of Western Sydney that responsible economic policy, low unemployment and a secure nation just do not happen by luck. They happen by good governance and the ability to make tough decisions, such as introducing the GST. That was opposed by the ALP, but when the ALP were in government they had six deficits and, by stealth, increased various taxes, such as the wholesale sales tax, by over 40 per cent. So, although people were getting the odd tax
break—one in particular was never paid out—their taxes were continually increasing, reduc-
ing their real wages. Under this government we have seen a 20 per cent increase in average
real wages, compared to one per cent under the previous government.

I think Badgerys Creek was the first huge issue that I ever had to deal with in politics. It
was something where I had to turn around the internal party policy for the interests of my lo-
cal area, and I did that very successfully. The Liberal-National government now has no plans
for a second airport. The only party with a plan for a second airport is the ALP. I have main-
tained my interest in fast rail, and I am sure a fast rail link between Sydney and Canberra will
solve any infrastructure or crowding at Mascot into the future. The logical second airports for
Sydney are obviously Brisbane, Melbourne and Canberra.

Child care has tripled under this government, and there is yet another instalment in this
budget. I always want more in child care, but that is just a reflection of where I am in my life.
I would like to see employers taking a greater role in child care and being more involved in
their employees’ decisions regarding this. I do not think Labor’s policy of a childcare centre in
every school is very viable. It would see the annihilation of the very healthy and profitable
private sector, and for what—for a very uncompetitive, unresponsive government-run system.
The opposition have a childcare policy of degree-trained teachers for four-year-olds. Coming
from Queensland, their leadership would say that, because pretty much every other state has
it. It is called ‘kindy’, and, to really make a difference, you do not need a degree. If you
started putting in degree childcare workers, the costs would just escalate enormously and we
would be faced with even more challenges to keep child care affordable. I would caution the
voters of Lindsay about what may sound like great a childcare policy from the Labor Party.
This government have a track record of tripling expenditure on child care in the last 10 years.
There has been an instalment on child care in every budget. So it is not something that will
ever go away. It is something that we are continually making affordable down payments on.

Our investment in education: I have air-conditioned over 70 per cent of the schools in
Lindsay, and the other 25 per cent have not actually applied for air conditioning. It is my goal
in public life to see that all of the schools in Lindsay are air-conditioned. Our modern build-
ings are designed for air conditioning. Very little thought is put into the planning of them to
keep them cool, and they are far hotter than the schools that we attended. It is something that
is quite a modern necessity.

The black spot funding in my local area has seen an enormous improvement in the roads in
my area, which have been neglected completely by the state governments. The trade school
which I fought so hard for in the last round of the Australian technical colleges has been suc-
cessful. I kept that alive. I kept pushing for that, and this budget delivered that trade school for
the people of Penrith. We are an area that has a tremendous number of tradespeople. We have
their offspring, who are very interested to be in their uncle’s business, their father’s business,
or some other trade. It is an opportunity that will be taken up with alacrity by the young peo-
ple of Western Sydney.

It has been a very great honour and privilege for me to represent the people of Lindsay in
this place. This budget is further evidence of the great work that has been done by this gov-
ernment over the last 10 years. I am very, very proud to have had a role in it, and I endorse
this package of legislation.
The DEPUTY SPEAKER (Hon. DJC Kerr)—I thank the honourable member for Lindsay, and, in the spirit of bipartisanship, I wish her well for her future without concurring in her aspiration and hopes for the return of the Howard government.

Ms KING (Ballarat) (10.42 am)—I would like to add my thoughts as well. I think the member for Lindsay will be a missed asset in this place, I would have to say. In debating the Appropriation Bill (No. 1) 2007-2008 and cognate bills, I want to start by focusing on the Howard government’s economic performance and how its failure to address issues of infrastructure, investment, climate change and skills shortages, and their failure to lay down a future foundation for economic growth, reflect a government that has run out of ideas—a government that expects to get re-elected on its past performance, not on what it is planning to do for the future of Australia.

The government has wasted an opportunity with this budget to lay down the foundations for future economic prosperity. As with last year’s budget, the government has focused on fixing its political problems, not on fixing Australia’s long-term economic prosperity. It is a budget stuck in the past: following the same old, tired formula of picking off a few groups to reward with one-off payments but failing to address the underlying problems.

Australian families are worried about their future. Those of us who live in regional Australia are particularly worried because we are often the first to bear the brunt of governments getting things wrong. Those of us who rely heavily on manufacturing jobs are particularly vulnerable when we have a government which has failed to invest in promoting future productivity in that sector. In regional Australia, we can see our manufacturing jobs disappearing around us, and we can see what rising petrol prices are doing to our local industries. We see the decline of our infrastructure, with much of what is needed well beyond the means of our local councils to repair. The government has always been more about spin than substance.

Over the coming months Australians will be bombarded by political propaganda the likes of which they have never seen before in this country. It has already started: coming to a TV set, cinema, newspaper and radio near you, courtesy of the Australian taxpayer, is the government’s $112 million, so far, 18-campaign media blitz. This budget and the accompanying advertising campaign are all about the Howard government positioning itself for the election at the end of the year rather than positioning Australia for the next 20 years. Australians know that the resources boom will not last and they are asking the government: ‘What is next? What are you doing to build our future prosperity? What are you doing to boost workforce participation and productivity? What are you doing to help us compete against India and China? What are you doing to make sure that we get a chance to get a better job, higher pay and better opportunities for our kids, not lower wages and worse conditions?’ They were looking for a government prepared to roll up its sleeves and get stuck in on these issues.

The lack of vision and the complacency of the Howard government are starting to reveal themselves in the Australian economy, and this is absolutely true when we come to the critical challenge of the level of our foreign debt. It is true that the government’s net debt has been paid down, but it is also true that our net foreign debt was $521 billion in December 2006 and is growing by nearly $50 billion a year. Foreign liabilities have risen to 60 per cent of GDP. HSBC Chief Economist John Edwards has warned that the cost of servicing that debt will grow faster than national income unless the trade performance is turned around. As it stands, Australia’s higher debt places upward pressure on interest rates as the perceived risk of lend-
ing to Australia increases. Australia has the second highest interest rates in the OECD. Australia’s current account deficit is the highest in the OECD despite record commodity prices. The government tries to argue that foreign debt is private debt, implying that it has nothing to do with the government and, by extension, that it will have no impact on the economy. That is simply not true. As the IMF has said, the build-up of external debt, although mainly held by the private financial sector, could leave Australia potentially vulnerable to shifts in market sentiment. It is our capacity to compete in the global economy and the pressure that foreign debt places on interest rates that are the problem. Add to this the burden that is placed on future generations to service foreign debt and the government should be extremely worried about it.

Just as worrying is our trade deficit. As of March 2007 Australia’s trade deficit is $1.6 billion, the 60th consecutive increase in a row. In the context of the greatest resource boom in 50 years, which has seen resource prices double over the past three years, Australia still cannot get our trade balance into surplus. In the past five years, manufactured exports have recorded growth of 0.4 per cent a year, compared to 16 per cent under Labor. Again, there is nothing in the budget to assist our manufacturing sector. Content to ride on the productivity gains generated by Labor’s comprehensive economic reform program of the 1980s and early nineties, the government has failed to position Australia to generate the next phase of productivity growth. That failure is hurting regional economies.

Regional economies are also feeling the brunt of the Howard government’s failure to address the skills shortage. It is one of the most serious issues facing our economy. Across industries and across the nation, the consequences of the government’s failure and skills policy inertia are being felt. It is not as if the current circumstances are a surprise to anyone; employers have been shouting for some time now that they cannot access skilled labour. But what has the government done about it during its term in office? It has restricted, not expanded, training opportunities for Australians, turning some 300,000 Australians away from TAFE alone since 1998. The government’s only solution has been the Australian technical colleges—and they are failing. Australian technical colleges will only produce their first qualified tradesperson in another three years, and even then will produce fewer than 10,000 by 2010. We need 200,000 skilled tradespeople today. The government has announced three more of these colleges in the budget. The Howard government’s Australian technical colleges are simply too little too late, after a decade of underinvestment which has resulted in the current skills crisis.

In his budget in reply, Kevin Rudd announced that a Labor government will implement a $2.5 billion trades in schools program over 10 years to build new trades training centres and upgrade existing facilities and equipment in all of Australia’s 2,650 secondary schools—whether they be government or non-government schools. Each secondary school in Australia will be eligible for capital funding of between $500,000 to $1.5 million to build trade workshops, computer laboratories and other facilities to expand vocational education and training opportunities. Schools will be able to apply to build metal workshops, commercial kitchens, automotive workshops, plumbing workshops, graphic design labs as well as ICT laboratories. And they will be able to purchase equipment, including drills, grinders, wood and metal turning lathes, ovens, soldering and welding equipment and computers. Instead of the government’s failed piecemeal Australian technical colleges approach—an approach, I might add,
that has been of zero benefit to young people in Ballarat—Labor’s policy provides for first-class technical training in every secondary school in the country.

In other areas of education, Commonwealth recurrent funding to universities has fallen by a third from 0.9 per cent of GDP in 1996 to just 0.6 per cent today. Over the last 11 years, Commonwealth government investment in education has fallen from two per cent of GDP—including the measures announced in the budget. The budget papers disclose that education spending as a proportion of total government expenditure will fall from 7.7 per cent in 2005-06 to 7.4 per cent in 2010-11. This reduction in education investment is not set to change. Despite the government’s grandstanding over the endowment fund, the fund is not $5 billion to universities; it is the annual income stream of only $300 million that has to be distributed over Australia’s 38 universities. This means that each university would receive, on average, an annual payment of $8 million. Considering that some universities have spent over $100 million on one research facility alone I am just not convinced that the University of Ballarat is going to be a major beneficiary of the endowment fund. The budget also increased HECS fees for 50,000 students studying accounting, economics or commerce. With HECS debts blowing out to over $75 million in the Ballarat electorate alone, it is hard to argue that increased fees are not a major disincentive for prospective students in my district.

The cold reality is that the Howard government has, as a proportion of total revenue, reduced its contribution to our universities. Commonwealth grants to the University of Ballarat have decreased from 59 per cent of its revenue in 1996 to 34 per cent in 2004. That shortfall in funding—the decline in Commonwealth funding—is being made up by individual students and their families. This budget is clearly not being driven by any government plan for an education future when the government’s investment in education as a proportion of total spending falls over the next four years.

I have also spoken previously in this place about the need for infrastructure investment to boost regional economies. We all have projects in our electorates that could assist us. In my electorate, it is improvements to the Western Highway and particularly Anthony’s Cutting. The upgrades would bring great benefits to the local community, businesses and any motorists that travel along the Western Highway. The upgrades to Anthony’s Cutting will save travel time, reduce accidents, reduce greenhouse gas emissions and save money. VicRoads economic modelling has indicated a benefit of $5.50 for each $1.00 spent on capital maintenance over 30 years. DOTARS, in a draft strategy for the Melbourne-Adelaide corridor, earmarked the upgrades to Anthony’s Cutting as one of the short-term priority works that should be completed along the corridor. The number of accidents that occur along Anthony’s Cutting is double the state average. It is estimated that work at Anthony’s Cutting will result in 197 fewer accidents, including a reduction of one fatality and 11 serious injury accidents. Anthony’s Cutting remains one of my greatest priorities and I will continue to lobby alongside the Western Highway Action Committee to secure the funding for this project. We were disappointed that it was not funded under AusLink in this budget. I only hope that the Howard government looks at this project on its merits rather than through the political prism that it used for the Strategic Regional Roads Funding Program.

I and four local government areas in my electorate were extremely disappointed when the Howard government was caught red-handed pork-barrelling marginal coalition electorates
while vital infrastructure projects in Labor electorates were ignored. The City of Ballarat, Moorabool Shire and Golden Plains Shire all had funding for vital infrastructure projects knocked back. Coalition electorates received $119 million of the Strategic Regional Roads Funding Program while Labor electorates only received $57 million. In Victoria, there was only one Labor electorate that received any funding at all, while eight coalition electorates were flooded with funding. The Howard government has ceased to govern in the interests of all Australians. They are now only governing in their own interests.

The pork-barrelling of coalition seats is systematic of a desperate government willing to say and do anything to stay in power. It is outrageous that not one cent of the additional $250 million for the Strategic Regional Roads Funding Program has gone to Labor electorates in regional Victoria. The City of Ballarat, Moorabool Shire and Golden Plains Shire all had vital upgrades knocked back. The City of Ballarat had funding knocked back for Gillies Road and Bells Road, the Moorabool Shire had funding knocked back for Yankee Flat Road and Golden Plains Shire had funding knocked back for the Mount Mercer Road. All of these projects would have greatly improved the standard and safety of these roads and would have been of great economic benefit to our region. It is extremely disappointing that the Howard government has yet again overlooked key infrastructure projects in our district.

Ballarat needs a government that assesses infrastructure projects on their merits, not on whether they can get votes out of it. This blatant pork-barrelling shows a complete disregard for due process and for our local motorists. Labor want to take the politics out of infrastructure funding. In my community, we are happy to have our infrastructure projects stand on their cost-benefit merits, but in the past we have been overlooked and have had our projects bypassed while projects with less cost-benefit merit in Liberal and National Party held seats have been funded. We want to establish a body, Infrastructure Australia, to take the politics out of infrastructure decisions.

I turn now to talk about the important infrastructure area of broadband. We are faced with the ridiculous situation in country Victoria where every time a community or small regional town wants to access ADSL they have to petition Telstra through its expression of interest system to try to get enough people to signal that they want ADSL before Telstra will even listen. Telstra sets arbitrarily high targets and, even when a community manages to get enough signatures, they have to wait until government subsidies are provided to Telstra before Telstra will do anything. Now we are caught up in the fight between Telstra and the government over its regulatory regime and the amount of financial assistance the government is prepared to chip in to improve regional broadband.

High-speed broadband should be available as a matter of course. We are excited in country Victoria if we get relatively slow ADSL, but we should expect even better speeds than that. When it comes to high-speed broadband, Australia’s performance is woeful. The government’s answer is to go cap in hand to Telstra to try to reach agreement over funding for what, frankly, will be an entirely inadequate service that is only available in capital cities. The government is vulnerable on this issue and there is a very real danger that it will give in to Telstra’s demands, potentially setting us back decades when it comes to having a national broadband network as opposed to the patchwork solution we have currently.

Last year, Labor announced that we would step up to the plate and show national leadership by investing $757 million over three years and applying the equity from the $2 billion
Communications Fund in a joint venture with telecommunications companies to bring high-speed broadband to 98 per cent of Australian businesses and households. This is not via a patchwork of ADSL, ISDN and satellite but via a high-speed, fibre to the node broadband network across the country.

As an area in regional Victoria, Ballarat has felt the social and economic effects of the drought particularly hard. You cannot talk about the drought without reflecting on the failure of this government to seriously tackle climate change. The Howard government’s climate change policy is a farce. There is no national climate change agenda and there are no time lines, no targets and no real policies to significantly reduce greenhouse gas pollution or to slow energy demand. The government’s renewable energy policy is a joke and cannot even be described as a token commitment. Having spent the last 11 years as climate change sceptics, the Howard government would now have us believe that they have had a road to Damascus conversion three months out from the election. This government has been part of the problem and is a significant barrier to Australia dealing with climate change.

In our own district, the effects of climate change are evident. Ballarat’s water supply is down to 10 per cent. It is astonishing that this government continues to play politics with the one infrastructure project that will secure Ballarat’s water supply. Federal Labor has already announced $115 million towards the construction of the Goldfields Superpipe project to provide Ballarat and Bendigo with a reliable and secure water supply. Without the Goldfields Superpipe, and if the low flows of recent years and prolonged drought continue, Ballarat will dry up and run out of water. It is time for the federal government to deliver on the superpipe.

The fight for Ballarat’s future water supply is currently receiving no help from the self-appointed Liberal duty senator for Ballarat, Julian McGauran, who called the idea whacky. Nor is it receiving support from the Liberal candidate for Ballarat, who called the idea half-baked and ridiculous. Having damaged Ballarat’s chances of securing federal funding for the superpipe, the Liberal candidate has been quick to resort to the old favourite of the Howard government—the blame game. Having scuttled our chances of receiving federal funding and despite the fact that the state government and Central Highlands Water have already put substantial funds into the project, the Liberal candidate is on the record as saying that it would only be out of the goodness of their hearts that the federal government would fund the project and that it should be funded entirely by the states. What the self-appointed duty senator and the Liberal candidate do not seem to understand is that the Australian water fund—

The DEPUTY SPEAKER (Hon. DJC Kerr)—Order! The honourable member for Ballarat will resume her seat briefly. Is the honourable member seeking to ask a question?

Mr Hunt—I am. I would ask—

Ms KING—No, I am not accepting the question.

The DEPUTY SPEAKER—The member for Ballarat declines to accept the question.

Ms KING—What the self-appointed duty senator and the Liberal candidate do not understand is that the Australian water fund was set up to fund projects exactly like this, as it has already done so with the Bendigo section of the superpipe. Why does the Liberal candidate think that it is all right for the federal government to support the residents of Bendigo and fund their vital infrastructure but it is not okay for the federal government to support Ballarat residents? It is extraordinary that, since the $2 billion Australian water fund was set up in
2004, more than half of the funds remain unallocated. A federal Labor government has already committed to securing Ballarat’s future water supply and I again call on the federal government to ignore the Liberal candidate’s unhelpful intervention and to do the same.

These are just a few of the areas where the government has failed to demonstrate that it has a plan for the future prosperity of the nation. There are many others. Today, again, in the news—but it has been around for a long time—is the issue of housing affordability. There is the issue of real assistance and incentives to move people to participate in the workforce, instead of the Welfare to Work reforms that are currently hurting many of the people in my district who are already working part time and trying to get ahead and do the right thing. The government’s failure over the last 11 years to effectively address the health needs and the social participation needs of our Indigenous Australians also calls them into question.

The DEPUTY SPEAKER—I thank the honourable member for Ballarat—

Ms King—You know that I am going to interject through your entire speech because of your complete lack of courtesy!

Mr Hunt—Good! I am looking forward to it.

The DEPUTY SPEAKER—Order! I call the Parliamentary Secretary to the Minister for Foreign Affairs.

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for Foreign Affairs) (11.01 am)—It is with great pleasure that I rise to speak on the benefits of this year’s budget, or the appropriation bills, for the residents of my electorate of Flinders. In particular I want to look at three areas: the economic benefits, the environmental benefits and the social benefits which have come out of the budget.

Firstly, in looking at the economic benefits, the most important thing to understand is that there has been a drop in unemployment from the period of 1996 to now from 9.4 per cent to 4.2 per cent. So a 5.2 per cent increase in the number of—

The DEPUTY SPEAKER (Hon. DJC Kerr)—The honourable member might resume his seat.

Mr HUNT—I would be delighted to offer a courtesy which was not extended to me—

The DEPUTY SPEAKER—Order! The honourable member might resume his seat. Is the honourable member for Ballarat seeking to ask a question?

Ms King—I am. Can you please tell me what the unemployment rate is in Ballarat and why it has been increasing?

The DEPUTY SPEAKER—Will the member for Flinders allow a question?

Mr HUNT—I have already accepted the question. As to why Ballarat is different from the trends that the rest of the nation is facing, I suspect that the local residents would want to ask that of their representative, because across the country there has been a dramatic drop in unemployment. In the seat of Flinders there has been a 5.2 per cent drop in unemployment. If, under the member for Ballarat’s stewardship, there has been a failure to deal with this question then she ought to explain to her residents why that is the case.

Ms King—So you are happy to claim credit when unemployment goes down, but you have no responsibility when it goes up?
Mr HUNT—I want to return to my electorate of Flinders and say that, firstly, there has been a decrease in the level of unemployment.

Ms King—You take no responsibility whatsoever when unemployment goes up?

The DEPUTY SPEAKER—Order!

Ms King—Only good things are your responsibility!

Mr HUNT—I want to take responsibility for my electorate and you can take responsibility for your electorate—and if you are contrary to the rest of the trend—

Ms King—if you interrupt through other people’s speeches, this is what happens!

Mr HUNT—Anyway, I will continue. The second point that I want to make—

Ms King—interjecting—

The DEPUTY SPEAKER—Order! The parliamentary secretary may have created an own goal situation by his earlier conduct, but he is entitled to be heard in silence.

Mr HUNT—My interventions are witty, incisive and brief—

Ms Owens—Unlike his speech!

Mr HUNT—as opposed to unwitty, extended, boorish and boring.

Ms King—it’s okay to impugn members as well during your speech?

Mr HUNT—I will continue if the Committee pleases. The second point in relation to the economic benefits of the budget is that while the rest of the country has been experiencing a great decrease in unemployment and an increase in employment and real and profound benefits to families as a result of this change, there has also been a change in the real income which is being taken home by families. That real income has increased by 20 per cent over the last decade. But more than that, in the middle-income brackets we have seen a dramatic change in the amount of tax paid on that income and great reductions.

For over 15,000 families, for 60 per cent plus of the population of the electorate of Flinders in the adult ages that are engaged in the workforce, this budget decreases the amount of tax they have to pay. Firstly, it will affect those in the middle brackets, from 1 July this year—when the threshold for the 30 per cent range will increase from $25,000 to $30,000. That is important and will provide critical relief to families at the lower- to middle-income levels and is something which will have a profound effect on their capacity. It is part of the ongoing process of tax reform. It is good for them as families, it is good for the economy as a whole and it is all about providing people with reward for work and incentives to participate in the work process.

The second of the economic reforms contained in this budget is backing for small business. We have over 6,000 small businesses in the electorate of Flinders. What they have been able to receive here is a proportionate part of $540 million of tax relief for small business with, perhaps most importantly to them, compliance costs reduced. That is an eternal bugbear. Whether it is farmers, bakers, shopkeepers or any of the small businesses, they are always seeking—and rightly so—to reduce the time they spend on compliance and to reduce any costs associated with compliance. In addition to that, they will benefit from the lower personal income tax rates and will also have the opportunity to participate in the quite large industry assistance plan to help build global markets and improve productivity. For the number of ex-
port firms that are developing in high-tech areas such as hovercraft or others, I think that is an extremely important economic reform.

An additional economic reform which has a very real human dividend is the skills package. We have over 3,300 apprentices in the Flinders electorate, and a significant proportion of them will benefit from a tax exempt payment of $1,000 and a $500 voucher to help pay course fees, depending on where they are. For local plumbers, electricians, carpenters and the many other tradies who are working and training in the electorate of Flinders it is a great step forward, and I am very pleased about that.

In addition, there is the economic and social benefit which comes from the investment in local roads. Immediately following the budget we had an announcement of $860,000 for the completion and sealing of Clyde Road and an announcement of $500,000 for the completion and sealing of Dalmore Road. These roads will help the residents of Tooradin, Dalmore and Clyde. In particular, they will help the farmers transport their goods to market. It is an extremely important step forward.

I respectfully say to the City of Casey that you made a very clear statement in your application to the Commonwealth that no additional funds would be sought from any other stakeholders. The Commonwealth rightly read that as a statement that the City of Casey would not be seeking, in addition to the $800,000 from the Commonwealth for Manks Road, to impose a levy on the residents of Manks Road. I am now told that the City of Casey is seeking to charge residents over $8,000, with no choice. These are poor or struggling farmers in many cases. They are not a group of people who are extremely wealthy. Let me be absolutely clear before the Parliament of Australia that this would represent a fundamental lack of faith with the application, which said that no extra money would be sought. I hope that the council will reverse its current position. It would be a breach of a very clear undertaking to the Australian government, to the people of Australia and to the Parliament of Australia. It would be viewed with great circumspection and with enormous disapproval from the parliament, as well as being a breach of faith with the local residents.

This is a unique situation. This road is different from any others. It is a main road which has been falsely and wrongly categorised as a local road. It is a main road which should have been completed probably two decades ago. The council application was absolutely clear that it is a road which should be treated as a main road. It made no reference to the benefit to residents and it made an express, clear and absolute undertaking to the Commonwealth that no extra dollars would be charged. This would be a breach, and I urge the City of Casey to reconsider. I have raised this with the CEO and the mayor, both of whom are honourable men, and I hope that they will uphold the express and clear undertaking to the Commonwealth.

Moving beyond the question of the economic benefits to the region—to the families and others of Flinders—I want to focus on the environmental benefits contained in the budget. Of all the measures in the budget, the one on which my office has had the most feedback is the doubling of the rebate for solar panels on homes. There will now be a rebate of up to $8,000 available for those who install solar panels on their roof. I think this is an admirable chance to allow families to participate in national greenhouse gas savings. I also urge families to consider the possibility of signing up to green or renewable power. At present only three per cent of Australians do this. It is available to every Australian, and many of the people who are most critical about greenhouse, when I ask them whether or not they have signed up to green
power, drop their eyes and note that they have not. For those who, rightly, believe that this is an important issue, there is no excuse for not contributing. It is our time, it is our responsibility, it is our task and so I urge people to take up that opportunity, particularly those who are critical of others for not taking steps. These solar rebates will also be extended to schools, with grants of up to $12,000 available for installing solar panels. I know there is great interest amongst the schools of the Mornington Peninsula.

I turn now to the social benefits. Perhaps the most important single item in the budget for the electorate of Flinders is the fact that over 22,000 pensioners and healthcare card holders will receive a benefit of $500 each prior to 30 June. This is a pensioner bonus, which reflects their contribution to Australia and the specific needs which they have. I am proud to say that locals from the electorate of Flinders may have played a very important part in securing this bonus. Representations were made to me, and I spoke at length with the Prime Minister directly about precisely this initiative. I hope that in some small way that contributed to the outcome. It is a direct case of people from our electorate being able to communicate immediately with the Prime Minister through their representative. It is how democracy should work and it is a great thing to see. I thank the Prime Minister for listening and acting, and I thank the members of the electorate of Flinders for making those representations. For our pensioners, for our seniors, for our self-funded retirees, it is a welcome and much-appreciated recognition of their great contribution.

In addition to that outcome, other social benefits include the fact that 15,000 families, in the towns of Hastings, Somerville, Rosebud, Mount Martha, Cowes on Phillip Island, Lang Lang, Koo Wee Rup and many others, will be able to access the $700 tuition voucher for children who do not achieve national literacy and numeracy benchmarks at different years. They will be able to benefit from the 13 per cent increase in the childcare benefit. Hopefully there will be more than 700 local recipients of the carer rebate who will receive a $1,000 payment, and 2,500 local recipients of the carer allowance who will receive a $600 payment. Of great importance to the electorate is the fact that those who suffer from poor dental health which may have a chronic impact on their broader health will now for the first time be able to claim up to $2,000 in annual benefits from Medicare. That is a very important benefit for our electorate. Altogether, this has been a very good result for the electorate of Flinders.

I am also pleased that, in terms of both our national security and our local community and economy, there is $14 million for an upgrade of HMAS Cerberus at Crib Point. That upgrade will go to assisting with training in the schools of gunnery, engineering, communication, seamanship, health and catering. I think that there is a long-term, 30-year vision for HMAS Cerberus. It is an integral part of the Australia’s defence network. It is a wonderful part of the Mornington Peninsula community. The fact that that now has been guaranteed is a tremendous thing and I thank the defence minister for that. Above all else, I am delighted by outcomes such as tax relief, the pensioner bonus, the increased solar rebate, the increase in funding for veterans, such as the ex gratia payment of $25,000 for Australian prisoners of war held in Europe or fortnightly increases of $50 for veterans with a disability. All of those things are good outcomes for our electorate. I commend the budget and I commend the appropriations bill.
The DEPUTY SPEAKER (Hon. DJC Kerr)—Before I call the honourable member for Franklin, may I acknowledge that this will be the last occasion on which he speaks on the appropriation bill. I wish him well in his subsequent career.

Mr QUICK (Franklin) (11.16 am)—Thank you, Mr Deputy Speaker. You pre-empted my opening remarks. Yes, it is my 15th and last budget reply speech. I can honestly say that, from the very first one in 1993, where I think I criticised the John Dawkins budget and was accused of being a rebel, to the 2007-08 budget, I would like to think that every time I have stood up and made my budget reply speech I have tried to highlight the gaps where the punters, as I lovingly call them, are promised the world but quite often miss out.

I do acknowledge that there are lots and lots of positive things in the budget. The previous speaker mentioned the $25,000 allocated to European prisoners of war. That was one of the things that I have been nibbling away at for years and years. As I said in a speech here a couple of days ago, it was in lots of cases too late to acknowledge the Japanese and Korean POWs. To totally ignore the Europeans I think was a retrograde step by not only this government but by our government when we were in power.

If you believe all of the hype, we have never had it so good. You look at the television ads by the major retail chains and it is basically buy, buy, buy—just put it on the plastic card. But, if you look beyond the hype and turn the stones over, there are some disconcerting things that confront us. First of all, there is the fact that Australians owe $38 billion on credit cards. I think there is an average of close to $3,000 per person and there are lots of people who do not have them—they have given them away.

We see a growth in personal insolvencies which has doubled over the past nine months. This was revealed in the Senate estimates the other day. Bankruptcies grew by 12½ per cent in the nine months to March this year. Debt agreements, which are binding arrangements for people who cannot pay their debts, have jumped a massive 32 per cent in the nine months to March this year. These are frightening statistics. Land repossession claims in New South Wales have jumped a hefty 75 per cent since 2004 and in Victoria they doubled between 2003 and 2006. There are lots of positives, but there are lots and lots of negatives and people are falling through the cracks. So, despite the McDonalds mansions that are out there and the gloss that is Australian society, when you have a closer look there are some serious problems.

One group of people that I think were really ignored in the budget were the people with disabilities. There do not seem to be many votes in the disability sector, unfortunately. To their credit, the government have sought to iron out this vexatious problem with state health ministers. That phrase ‘the blame game’ does exist and the fault lies, in my mind, on both sides. Ministers of all political persuasions are trying to grind out the extra dollars to ensure that they can then go out and pork-barrel in their electorates or their states and say, ‘It’s somebody else’s fault because we cannot deliver the services.’

I know Minister Mal Brough has recently met with state ministers to indicate that the federal government would like to see dollar for dollar additional funding to address unmet needs, particularly in the desperately-needed areas of disability, supported accommodation and respite. You would know, Mr Deputy Speaker Kerr, that in Tasmania we face a real shortage of respite care places for families who have not only children but grown adults. It is a 24/7 occupation and you do need respite. The children need respite as well as the families. Sadly, I noticed in the Hobart Mercury today that government disability workers in Tasmania are going
to strike today in protest over the state government’s refusal to guarantee about 140 staff permanent jobs and employment security. The Lennon government is preparing to hand over to the private sector another of the nine homes for disabled Tasmanians that it operates. There is this growing trend right across Australia where governments are getting out of looking after disabled people, especially those in group homes.

This was brought to my attention by a wonderful friend of mine, Julie Hayes, who works as a carer in a wonderful group home—in fact, it is the first group home in Tasmania—which is situated in your electorate, Mr Deputy Speaker, just off Tolosa Street in Glenorchy: the Sunlea home. I received a letter from them. They are a small non-profit organisation that support four young people with severe disabilities, both in their home and in the community. They are funded through the state Department of Health and Human Services. They wrote about one of the people, young Rachel. She is 37, which is young in my terms. She needs a new wheelchair. Her present chair is 12 years old. It is made of a firm compound moulded to fit Rachel’s unique shape. It has only a thin film of foam covering it as padding. Due to the change in Rachel’s shape over time, the chair no longer fits and it is becoming increasingly uncomfortable for her to be in. The physiotherapist at the specialised seating clinic has recommended that she have a new custom-built electric chair. Sadly, Rachel is eligible for only $6,000 from the community equipment scheme, leaving a shortfall of $11,167. The letter says:

Over the past several months we have submitted requests for the funding to the State government through the appropriate channels but have been told repeatedly that there is no funding to allocate.

Rachel is only 37 years old and has strong social networks in the community. Her present chair will become increasingly uncomfortable for her and it is quite possible that she may not be able to use it at all. This has huge implications for all areas of Rachel’s life. ‘We do not have the money,’ the state says. ‘We are doing our share.’ It is going to take a year to build the new chair—assuming the money is there. So where do we go? It is not a Commonwealth responsibility because they are only interested in disabilities when it comes to work. The states are responsible but they do not have the money. Here is a 37-year-old in a chair that is 12 years too old for her. It is like asking my children to wear the same pair of shoes for 12 years as they grow. Luckily, Norske Skog, the wonderful pulp and paper manufacturer at New Norfolk, looks like coming to the party—to the shame of the state government.

Another area of concern is the aid budget. Most of us in this place are interested in and involved in the millennium goals. We are working to ensure that, when Australia does allocate its aid budget, people in the developing world are able to maximise the opportunities presented to them. One area that does worry me when it comes to aid is the considerable amount of money we spend in Laos demining UXOs, unexploded ordnances. I had the privilege of visiting Laos recently and seeing the wonderful work that Australia is doing. Yet, on the other hand, I noticed the Age on 27 May said:

The Federal Government wants to narrow the terms of a proposed international treaty banning cluster bombs, to exclude new weapons being sought by the Australian Defence Force.

While the Government says it wants to drastically reduce the number of cluster bombs in world arsenals, it has used international talks to argue that the weapons being obtained by the ADF should not be included in the ban.

The ADF says the new weapons have a self-destruct capability, minimising the risk to civilians from unexploded cluster munitions.
If you visit these countries and look at their history, you will see that they do not all explode once they have been dropped. I know in Laos that up to 150 innocent civilians each year are killed by these cluster bombs.

My daughter, Sarah, who is interested in the millennium goals, faxed me a copy of an article that appeared in the *Guardian Weekly* on 11 May this year. The article highlights the global school report, which names and shames the best and worst donors when it comes to keeping their promise of every person having the chance of an education by 2015. Britain, which gets a B, is bettered only by the Netherlands, Norway and Denmark. The bottom of the class are Australia, the US, Greece and Austria. It says:

The donors are very good at promising and doing events on the issue ... but we haven’t seen the money. Hopefully, that area of our aid budget will be looked at.

I know later today the Parliamentary Group on Population and Development are issuing an excellent report. I will not pre-empt it—it is embargoed till four o’clock this afternoon—but it raises as an issue the fact that Australia and the USA are the only two donor countries planning restrictions on the use of aid funds. It says that our AusAID family-planning guidelines limit contraceptive choice and ban access to information and services about abortion. These restrictions deny women in our region the same access to reproductive health choices, education and services we give ourselves, even in countries where it is legal to do so. Having visited many countries, especially the Philippines, I know for a fact that this overseas aid restriction has a detrimental effect.

I spoke at the outset about things looking a bit wonderful, but when you turn the stones over you see there are some problems. I have been proud to serve for the last 15 years on the House of Representatives Standing Committee on Family and Human Services. We are currently looking at the impact of substance abuse on families. We were given the other day two excellent reports: ANCD research paper No. 13, *Drug use in the family: impacts and implications for children*, and *Grandparents parenting grandchildren because of alcohol and other drugs*. In the evidence we were given were some frightening statistics: 10 per cent of children live in households where there is parental alcohol abuse or dependence and/or substance abuse; close on 230,000 children are at risk of exposure to binge drinking in the household by at least one adult; another 40,500 live in a household containing at least one daily cannabis user; and another 14,000 live in a household with an adult who uses methamphetamines at least monthly.

In the grandparents report it says that grandparents are increasingly taking on full-time caring responsibilities in response to concerns for the welfare of their grandchildren, and 31,100 children aged between zero and 17 are being raised by grandparents. This is an issue that confronts Australian society. Those grandparents have explained to us the problems they have when it comes to Medicare, Centrelink payments, education and their relationship with the police.

I think it would be remiss of me in this my last budget reply speech not to mention the war—something that I have been totally——

The DEPUTY SPEAKER (Hon. DJC Kerr)—I acknowledge the presence of the Speaker of the Queensland parliament, who has come to hear your final remarks on this appropriation bill. Speaker Reynolds of the Queensland parliament, I make you welcome.

MAIN COMMITTEE
Mr QUICK—I also add my welcome, Sir. As I said, I think it would be remiss of me in this my last budget speech not to mention the war, something that I have been totally opposed to. We see daily the reports of the deaths of soldiers from most of the countries that are there—and thank God we have not as yet experienced the loss of life that many of our coalition colleagues have experienced. I would like to read into Hansard in my last 4½ minutes a letter from a person who teaches history and international relations at Boston University. His son died on 13 May this year after a suicide bomb explosion. It is headed: ‘I Lost My Son to a War I Oppose. We Were Both Doing Our Duty.’ It says:

Parents who lose children, whether through accident or illness, inevitably wonder what they could have done to prevent their loss. When my son was killed in Iraq earlier this month at age 27, I found myself pondering my responsibility for his death.

Among the hundreds of messages that my wife and I have received, two bore directly on this question. Both held me personally culpable, insisting that my public opposition to the war had provided aid and comfort to the enemy. Each said that my son’s death came as a direct result of my antiwar writings.

This may seem a vile accusation to lay against a grieving father. But in fact, it has become a staple of American political discourse, repeated endlessly by those keen to allow President Bush a free hand in waging his war. By encouraging “the terrorists,” opponents of the Iraq conflict increase the risk to U.S. troops. Although the First Amendment protects antiwar critics from being tried for treason, it provides no protection for the hardly less serious charge of failing to support the troops—today’s civic equivalent of dereliction of duty.

What exactly is a father’s duty when his son is sent into harm’s way?

Among the many ways to answer that question, mine was this one: As my son was doing his utmost to be a good soldier, I strove to be a good citizen.

As a citizen, I have tried since Sept. 11, 2001, to promote a critical understanding of U.S. foreign policy. I know that even now, people of good will find much to admire in Bush’s response to that awful day. They applaud his doctrine of preventive war. They endorse his crusade to spread democracy across the Muslim world and to eliminate tyranny from the face of the Earth. They insist not only that his decision to invade Iraq in 2003 was correct but that the war there can still be won. Some—the members of the “the-surge-is-already-working” school of thought—even profess to see victory just over the horizon.

I believe that such notions are dead wrong and doomed to fail. In books, articles and op-ed pieces, in talks to audiences large and small, I have said as much. “The long war is an unwinnable one,” I wrote in this section of The Washington Post in August 2005. “The United States needs to liquidate its presence in Iraq, placing the onus on Iraqis to decide their fate and creating the space for other regional powers to assist in brokering a political settlement. We’ve done all that we can do.”

Not for a second did I expect my own efforts to make a difference. But I did nurse the hope that my voice might combine with those of others—teachers, writers, activists and ordinary folks—to educate the public about the folly of the course on which the nation has embarked. I hoped that those efforts might produce a political climate conducive to change. I genuinely believed that if the people spoke, our leaders in Washington would listen and respond.

This, I can now see, was an illusion.

It goes on for several more pages. I would urge people to google, as most of us do, and look at some of the other sides of this war—the human tragedies and the dilemma that parents face when they are opposed to a war that results in the death of their sons and daughters.

The DEPUTY SPEAKER—I thank the honourable member for Franklin and I again acknowledge that this is the last occasion on which you will be addressing the House or the
Committee of the House on the appropriation bills. I am certain that in a bipartisan way all members would wish you well in your future.

Mr TOLLNER (Solomon) (11.36 am)—I am very honoured to speak on the Appropriation (Parliamentary Departments) Bill (No. 1) 2007-2008 and cognate bills today. The federal budget brought down on 8 May provides many practical support measures for all Australians. It is a budget which again demonstrates the Howard government’s credentials as responsible economic managers. The budget has tax cuts for a fifth year in a row. These tax changes will ensure that 80 per cent of taxpayers will pay no more than the 30 per cent rate. We have created a budget surplus of $10.6 billion. We commit to funding greater childcare assistance, providing more investment in health and transport infrastructure, reducing taxes and costs for small business, giving an unprecedented boost to education funding and providing more money to raise teaching and education standards to deliver the workforce that Australia needs into the future. For the Northern Territory, the budget delivers more money for roads, transport, infrastructure, health and education.

Just as importantly, the 2007-08 budget builds on the Howard government’s commitment to strengthening Australia’s defence capabilities, and that is what I want to talk about in some detail today. The decision taken a decade ago to shift defence resources from the back room to the front line has increased the importance of the Northern Territory as a staging post in our strategic defence plan. The defence funding for my electorate of Solomon will total $318.5 million in 2007-08. The strong defence presence in Solomon includes HMAS Coonawarra, the Darwin Naval Base, Robertson Barracks, Larrakeyah Barracks and RAAF Base Darwin. The current defence capability plan outlines $51 billion of new acquisitions over 10 years. This year the commitment to defence will total $22 billion—an increase of 47 per cent in real terms since 1995-96. The Australian Strategic Policy Institute in its Defence budget brief 2007-08, says the defence budget has risen from $12.6 billion in 2000-01 to a projected $29.8 billion in 2016-17. Accounting for inflation, this amounts to a 58 per cent real rise over the next 16 years.

Much of this funding will benefit my electorate of Solomon. The Northern Territory has a proud tradition of being a home to Australia’s defence forces. The Territory has shown itself to be an essential part of Australia’s military strategy in the region. Northern Australia is the only part of mainland Australia to have been attacked repeatedly during a time of war. So Territorians have a unique perspective on the importance of a strong local military presence. We are also significant as a regional access point for Asia and a training location for exercises. The Northern Territory has also served as an essential staging post for Australia’s operations in South-East Asia in recent times. The Bali bombings in 2002 and the Boxing Day tsunami in 2004 saw Darwin as a focal point for emergency assistance, with troops deployed out of Darwin. The Howard government, through defence, will continue its strong support of the economy of Solomon based on a continuing significant military presence.

The current military population of the electorate includes over 5,600 ADF members, Defence civilians and ADF cadets. Defence families also form an integral part of the Solomon community. As I have mentioned, the government will continue to make an extensive financial contribution of around $318.5 million in 2007-08 to the funding of both defence facilities and personnel serving in Solomon. In addition, this year a further $3.5 million will be allocated for funding facilities. As part of the ongoing commitment to supporting and valuing our
ADF personnel and their families, the following improvements will be made. There will be a modern and more flexible pay structure. There will be a new home loans assistance package, with higher subsidies and greater choice, to encourage homeownership and provide for benefits as members serve on for longer periods. A transition and career advice function will be created within Defence Force Recruiting to assist those who might be considering alternative careers. There will also be investment in the professional development of defence medical officers.

Further improvements include better marketing to showcase the Navy, Army and Air Force as employers of choice. A new Defence Apprenticeship scheme will be introduced to assist 16- and 17-year-olds commence an apprenticeship and then join the ADF. There will also be a boost to the Royal Australian Navy Sea Change program. Local cadets will benefit from an expansion and enhancement of the Defence Force Cadets scheme, giving our young people the life, leadership and employability skills valued by employers and community leaders.

Defence facilities in the Northern Territory will also benefit from $52.5 million in funding this year. Of this, a total of $14.6 million has been allocated to approved defence facilities projects. A further $37.9 million will be spent on Defence estate upkeep works. Estate upkeep works provide the ongoing maintenance of Defence’s extensive existing base infrastructure, including airfields, naval bases, barracks, training, cadet facilities and fuel farms. The rolling maintenance program is developed and revised each year, focusing on areas of the highest priority.

During 2007-08 Defence will spend approximately $37.9 million on estate upkeep in the Northern Territory. Examples of work to be undertaken in Solomon include termite-proofing of buildings at Robertson Barracks, OH&S repairs at Larrakeyah Barracks, repairs to vehicle-loading ramps in Darwin, the maintenance of fixed plant and equipment and the management of field areas, firing ranges and roads. The capital facilities investments in Solomon will also support the new Armidale class patrol boats and, in Lingiari, will provide an additional training area for 1st Brigade.

Darwin Naval Base patrol boat facilities will provide upgraded facilities at the Darwin Naval Base for the new Armidale class patrol boats. Construction commenced in early 2005 and is being completed in stages to allow the continued operation of the Naval base and to support the staged introduction into service of the Armidale class patrol boat. The schedule for completion is late 2007. Significant additional expenditure is expected to be announced during the year as further projects are considered for approval.

Bradshaw Field Training Area infrastructure at Timber Creek is a project which provides engineering services and infrastructure to allow the use of Bradshaw as a field training area for 1st Brigade. Works there include roads, training force maintenance areas, base camp, range control and caretaker facilities. This work is also scheduled for completion by late this year. Significant additional expenditure is expected to be announced during the year as further projects are considered for approval in Solomon. They include: RAAF Darwin redevelopment stage 2; Robertson Barracks redevelopment, including facilities for the LAND 907 and the Hardened and Networked Army projects; and control facilities and the Single Living Environment and Accommodation Precinct phase 2 proposals for Robertson Barracks and HMAS Coonawarra.
The Northern Territory has also received new funding for RAAF Tindal redevelopment stage 5, RAAF Tindal airborne early warning and control facilities, and facilities to support the introduction of the C17 heavy airlift capability. All the new funding that I have outlined will boost capital works and infrastructure and will provide state-of-the-art equipment for our armed forces. I am sure many Territory businesses will benefit from this work.

But the greatest resource that we have is our people, and I salute the service men and women of the Australian defence forces for their service and commitment and for their contribution to peace and freedom both in our region and throughout the world. Around 3,000 ADF personnel are deployed on operations overseas, from Iraq to the Solomon Islands, to protect Australia and its national interests. Darwin based soldiers currently involved in operations in the Middle East include 500 soldiers serving in the Overwatch Battle Group in Iraq and another 120 soldiers in the Force Level Logistics Asset in the Middle East. It was only recently that the final members of the 370-strong first reconstruction task force arrived home to Darwin after spending six months in the Oruzgan province in Afghanistan where they were conducting reconstruction projects. We owe a great debt to our men and women who have served overseas. Today I take this opportunity in our national parliament to honour them, both past and present, for their service and to let them know that it is remembered and appreciated.

The wonderful role that spouses and families play in supporting Defence personnel should also not be forgotten. Families provide a pivotal level of support for personnel who are serving overseas by giving them a base at home that they can look forward to on their return. I pay tribute to the spouses as well. Territorians love the fact that we have Defence personnel in Darwin. They have fully integrated into the community. In fact, the community would not be the same without them. They add to our laid-back and often unique lifestyle in the Northern Territory. It is a great honour to have them there, and I pay tribute to all those people connected with Defence in the Northern Territory.

Mr SAWFORD (Port Adelaide) (11.48 am)—This will be my last address-in-reply, the 20th, on an appropriation bill. It is interesting that this is the budget that has anaesthetised the Australian electorate, and the very fact that so many government members do not recognise it is bewildering to say the least. Ross Gittins described this budget as a set of jam jars, with a new endowment in education funds as simply another jam jar for another Future Fund. He was right. In fact, one of the few redeeming features of Appropriation Bill (No. 1) 2006-2007 and cognate bills is that, for the first time in many years, there is apparently a genuine focus on education—that it is misplaced is another story, but I will come to that later. At least the issues are being recognised—and about time too. Being my 20th year in this parliament I can, without fear of contradiction, state that the quality of debate on education has been pretty ordinary in this place.

This country dropped the ball on education 30 years ago. Since that time, neither the Commonwealth nor the state governments have bothered to take a serious analytical approach to education. It is worth a brief trip back to 1977 to establish when education in this country went off the rails. In 1977, education was in far better shape than was ever acknowledged. Without interference by politicians, state education bureaucrats wisely balanced up the quality of educational programs in Australian schools from the very boy-friendly content and competitive programs of the fifties and sixties. It is a tragedy that certain events, reports, ideologies and political interference contributed and conspired both unintentionally and intention-
ally to seriously weaken what was an extremely well-balanced public and private education system in Australia, which, importantly, was recognised internationally as one of the education beacons of the world.

Bipartisan support for education has diminished. When the well-received and well-intentioned education reports were implemented, they impacted very badly on the public education system. The failure to realise the strength and diversity of primary and secondary public education, which was supported by the wider community, was indeed a tragedy. Integrating technical schools, girls schools, boys schools, area schools and agricultural schools into a comprehensive high school system has been an unmitigated disaster. Replacing primary and junior primary educational directorates, who had the most progressive bureaucrats in education in the country, and integrating education into a single bureaucracy crushed and crunched much of the innovation found in our junior and primary schools, as well as starving those sectors of funding. The administrators of education became more and more the lap-dogs of state politicians and ever more distanced from the core business of improving the quality of leadership, education programs, teaching and learning in our schools, and this again impacted negatively on the morale of teachers. Teachers were then undervalued. They are today and they know it.

Ideological nonsense pervaded the education system big-time. Political correctness and victimhood that the system did not need gained more and more prominence. Competition was frowned upon. Collaboration was revered. Analysis was replaced with synthesis. Examinations and testings were dropped in favour of continuous assessment. Style was favoured over substance, expression over organisation and structure, passivity over activity, intuition over insight, safety over risk taking, nurture over nature and so on. If truth and common sense prevailed, all of the above would be included in a balanced educational program. But half of the education experience was removed from too many by the misguided.

The introduction of all the ideological nonsense was based on just that—ideology—and flawed, inadequate or no research whatsoever. It confused, angered, divided and sidelined teachers and parents and was the basis for the coalition introducing apartheid-style policies for public and private education. But the outcome is there for all to see: Australia has slipped down the educational ladder to be part of the pack rather than the leader it ought to be.

Last Wednesday, Justine Ferrari of the Australian wrote a very interesting article on how ideology has ruled the classroom rather than rigorous scientific research to establish the most effective techniques in the classroom. The article stated that too many educational establishments rejected research in favour of individual opinions. Dr Kerry Hempenstall, a former teacher and now an educational psychologist at the Royal Melbourne Institute of Technology, said many current arguments—like ‘Learning is a natural process for children and you should interfere as little as possible; learning to read is like learning to walk or talk; it is more important to teach higher level thinking skills than facts and content’—are just plain wrong. Although arrant nonsense, those beliefs have been very ‘in’ during the last 30 years. The article goes on to say that research tells us that learning to read is an acquired skill that has to be specifically taught, that high-level thinking skills and concepts cannot be directly taught in a content-free context and what distinguishes the expert from the novice is how much they know, not how well they think. Of course that is correct. Why was it ever doubted?
In other words, it is not one or the other. It is both. It is theory and practice. It is research and practice. It is competition and collaboration, analysis and synthesis, activity and passivity, insight and intuition, expression and self-reliance and so on. The key is balance. The key is inclusion. The key is common sense. The direction comes from evidence, from proven practice and not from selective ideological political correctness or social engineering.

For about 18 of the last 19 years I have spent in the parliament I have been a member or the deputy chair of the House of Representatives education committee in its various formats. During that time I have had the opportunity to introduce, personally or jointly with colleagues, matters that deal with early intervention, literacy, numeracy, technical and vocational education, the need for more rigorous mathematics and science teaching, violence in schools, boys’ education, national curriculum, teacher education, income support for tertiary students, examinations and testing and so on. The best efforts of members of that committee on both sides of the parliament and the production of many quality reports have, in an evolutionary rather than a revolutionary sense, now become front and centre in the national education debate. That is some progress from my first caucus committee, when I could not get a seconder to highlight early intervention and literacy and numeracy failings in 1988.

However, having the issues front and centre is no guarantee of sensible implementation or success. The current government recognised literacy and numeracy deficiencies. In fact, my crafted words in the Crawford report on literacy and numeracy were used over and over again by the former minister Dr David Kemp. But the implementation was more about a blame game than a genuine tackling of the problem.

A similar story has emerged about technical and vocational education and the flawed set-up of technical colleges. At fault is a common human failing: everybody has an opinion on education. The direction of education initiatives should be based on research—qualitative, quantitative, longitudinal—and proven practice. If all the areas that are now mentioned as being front and centre in education are to be successful, the methodology, ideology and divisiveness of the last 30 years need to be rejected. Guessing what should happen and listening to opinions, rather than evidence from legitimate research and practice, will lead to another 30 years of a mediocre education system. A plan for education should be like a plan for building a house: you begin with the foundations, not the roof. Education in this country begins with a roof, according to this government. International and local research, reaffirmed time and time again, explains that the most significant education occurs with children between the ages of seven and 11 and that the quality of education received by children in those years overwhelmingly decides the future success or otherwise of every individual. In Finland they take that very seriously and that is the age when kids begin school. In Australia, this sector receives the least resources and attention. When I say ‘early intervention’, I say it in an educational sense and I too refer to the seven- to 11-year-old age group. Early intervention as it applies to children from the age zero to seven is not an educational imperative. That does not mean that social, technological, manipulative or play skills and mobility gained by children at this age are not important—they are—but the education should be informal.

For children in the age zero to five group we invented the lovely term ‘child care’. How dishonest. It was never about child care; it is not about child care now. It is about parent respite, to allow parents, usually women, to re-enter the workforce. There is nothing intrinsically wrong with that. It makes perfect economic sense to have a high proportion of women in the
workforce, but it comes at a cost. Children aged from zero to five monitored and parented largely by their parents, their grandparents or other family members do far better than the equivalent child in a childcare centre. That fact is not always welcome; it is true, nevertheless. The two years of school from ages five to seven prepare the ground for formal education. That is why we should plan for a high-skill, high-remuneration future for our workforce, rather than the intent of the current government of low skill and low remuneration. Most families in Australia do not have the choice of not using child care. However, the cost can be far greater than the monetary costs. The next government should, as Kevin Rudd has pointed out, begin an education revolution, but it needs to start at the beginning—and that beginning is with the seven- to 11-year-olds.

I have tried to encourage the House of Representatives committee on education to take on a particular research inquiry for 18 years. No minister of education has ever had the courage to do it. The inquiry should be: what is the current allocation of resources from public and private means to fund primary, secondary, TAFE and tertiary institutions, whether public or private? If there are differentials, what is the justification in educational, historical and traditional terms? In beginning the education revolution, what resources are necessary to make both the public and private education systems in Australia the best in the world? In other words, stop guessing about where education is and find out by research where it is.

I remind the House that successful primary education in our schools—despite family difficulties caused by socioeconomic status, culture, gender, race or religion—is most likely to deliver a successful student at a secondary and post secondary level. If everybody opened their eyes and looked around them, they would see dysfunctional behaviour on the roads, at sporting venues, in families and at shopping centres everywhere. It is not a given that people should behave in that way. Getting it right when it counts would save this country billions of dollars and create the opportunity for real and sustainable long-term wealth and societal cohesion.

I gave a speech in this place in the early 1990s on the positive value to the economy of environmental technology and I predicted that water and power would be the big issues at the beginning of the 21st century. So when I heard the Prime Minister’s national water plan in February, I thought: fair enough, that is a good idea. But it was not a plan; it was a bucket of money—a whole $10 billion. It was bereft of detail and purely political in its conceptualisation. But money talks even louder than state premiers and those words led the Sydney Morning Herald’s editorial on the Prime Minister’s $10 billion national water plan.

The editorial went on to further point out that the states have made a real mess of the Murray-Darling Basin. As we were dropping the ball on education 30 years ago, the ball was dropped on water over the same period. It was all ineffective because each state could exercise a veto power. The national interest was the first casualty. The Commonwealth was planning to buy back licences from irrigators to reduce demand, increase water use efficiency and cut water usage by improving the infrastructure of irrigators—not a perfect plan by any analysis, but a sort of a plan nevertheless. New South Wales agreed immediately. It could not afford to buy back the licences and the overallocation of water this state had allowed. South Australia, Queensland and the ACT arrived at the same view, albeit with some grandstanding. However, to the credit of the leaders of those administrations, some sensible concessions were gained from the Commonwealth without compromising the national management of the riv-
ers. A panel of five experts to be appointed for their expertise rather than their state localities is a sensible move, and Mike Rann from South Australia should be congratulated on putting that idea forward and having it accepted. Not having the Victorians on board is a weakness, and Steve Bracks has brought no credit to his state with his uncooperative and parochial stance.

However, when I step back and I reflect on what has happened, I am again struck by the same weakness that has applied to education: a lack of analysis, a lack of reason, a lack of research, a failed appreciation of the change in circumstances in population, agriculture and industry, craven ineptness, negligence and intellectual shallowness. Take population as an indicator. In 1977 the population in Australia was 14.2 million; today it is almost 21 million. So how could the state governments in the last 30 years be so slack—with a population growth of 50 per cent, multiplied by the required use of water in agriculture and industry to meet the needs of the increased population—as to ignore increasing the supply of water? But they did, and the current drought has caught them out.

It is all very well in a drought period to encourage constituents to reduce their demand—but that is not a long-term answer; it is not any answer. Increasing the supply of water is the challenge. Recognising the four ways to do that does not require too much brain power, yet no state government or the Commonwealth government has recognised that. Obviously the damming of catchment areas has limited options; however, recycling of water has to occur, as does the preservation of stormwater. The other option of course is expensive desalination, as the Western Australians are to discover. Where are the significant recycling of water initiatives in this budget? Where are the significant stormwater conservation initiatives in this budget? Silence. They are not there, are they?

In the western suburbs of my electorate, the last significant piece of open space will be sold with the approval of state government and local government. A public campaign I organised forced the government to save 40.6 per cent of the land—a figure that could be reduced to 35 per cent because of the dysfunctional Charles Sturt Council and the negligence of the state government. A national water plan of substance would not allow this land to be sold. I have written to the federal government requesting their urgent intervention. I received an acknowledgement from the Prime Minister’s office but not a substantive reply. Should I hold my breath? Will the federal government be dinkum on water and stop the folly of the sale of this land? The wider electorate has turned off the political process. It no longer believes the government. It no longer believes the media. It is holding the power of its vote until election day and refusing to seriously indicate what it is really thinking.

On the topic of governance, leadership and the ineffective media in this country, I would like to put on the public record a view of what I believe is happening in my own state. I have said some of these words in the Main Committee previously, but they are worth repeating in the context of this address-in-reply. No matter where you look in South Australia, politics, business, unions, education, health, public transport infrastructure, governance and leadership are all too often seriously compromised. It is a dynamic that has dogged my state for the last 30 years—and it has dogged Victoria too. The tripartite relationships between the top end of town—and the corporate world—the media, particularly the commercial media, and the executive government are too often clouded in questionable goings-on. State governments in South Australia have had a far too comfortable and accommodating relationship with the top
end of town. Who could forget the State Bank fiasco of the late 1980s which shamed all politi-
cal parties and the media?

During the Liberal term from 1993 to 2002 we endured the folly of waste of taxpayers’
money on a national wine centre, overspending on the Hindmarsh Stadium and the botched
sale of the TAB. During the current government’s term it is going to happen again. A sum of
$55 million—mostly taxpayers’ money—has been allocated to build a grandstand in Ade-
laide’s parklands to be used for car racing and horseracing. The grandstand—or ‘the stand for
the grand”—was originally planned to be four storeys high, 248 metres long and 10.8 metres
wide. Despite taxpayers paying for this monstrosity, there will not be one public seat. It is a
facility for government and the corporate world. The cost of the project will just grow and
grow. The arrogance and the contempt for the taxpayer so implicit in this funding beggar be-
lief. Any government should realise that getting into bed with the car racing fraternity is not
what it is cracked up to be. Adelaide once had a formula one grand prix. Claims of its so-
called economic benefits were always greatly exaggerated. This very fact has been stated by
the Victorian independent watchdog, which has said that the cost of holding the grand prix in
Melbourne is $6.7 million. The Victorian state Auditor-General, Des Pearson, released a re-
port on 23 May that found many studies justifying the use of taxpayers’ dollars for major
events are inadequate. You bet they are. South Australia is no exception. The Clipsal V8 car
race in South Australia will eventually tell a similar story.

Another matter is the all too comfortable, ‘nudge, nudge, wink, wink’, cosy relationships
that state governments have had with the media. Although wrong, it is at least understandable
that the media would protect its income stream and the people who provide the advertising
revenue. Nevertheless, it far too often compromises the fourth estate in South Australia and it
shows. In fact, respected journalists over the years have told me of their frustration at the lack
of resources for investigative journalism and overzealous editorial control. The national me-
dia’s complaints about the prohibition on information release are largely correct. However,
you cannot think that the very same media would be as selective in what it chose to make
available. The next question to ask is: would it be done on an ethical basis? Governments pro-
tect themselves. High-profile business and media personnel are strategically appointed to
government boards and paid handsomely for their time, participation and support of govern-
ment. Whether these individuals recognise it or not, they are badly compromised.

I have always believed that the sale of the TAB in South Australia demanded a royal com-
mmission. I think the same about Cheltenham Racecourse and the Victoria Park development—
a parklands monstrosity. However, the likelihood of that happening is probably pretty small.
Have a listen to this: the lobbyist for the South Australian Jockey Club, promoting the sale of
the Cheltenham Racecourse—the best stormwater retention site in the western suburbs—and
the Victoria Park development is appointed by the government to give advice on stormwater
management. South Australia, like Tasmania and Victoria, needs the establishment of an anti-
corruption and crime commission to be monitored by the federal government and— (Time
expired)

The DEPUTY SPEAKER (Mr Secker)—I note that this is the last appropriation bills
speech by the member for Port Adelaide, and I am sure all members of the House wish him
well in the future.
Mr GEORGIOU (Kooyong) (12.08 pm)—I congratulate the member for Port Adelaide and wish him well. Enjoy your very well-earned retirement.

Mr Sawford—I am looking forward to it.

Mr GEORGIOU—I rise to speak in support of Appropriation Bill (No. 1) 2007-2008 and related bills. This is the government’s 12th budget and, as with each of the preceding 11, it is a well-measured document based on fundamental and successful economic principles. It is underpinned by a strong surplus and there is considerable new expenditure directed towards key policy priorities. If anyone had predicted back in 1996 that a budget could be described in these terms, they would not have been believed. But today Australia is a more prosperous and stable place than it was a decade ago. Unemployment is at generational lows. The government is free of net debt. Economic growth consistently exceeds three per cent a year. Inflation is tightly controlled. Interest rates move incrementally within a narrow band. All this has become the norm over the last decade; it has become a custom. The reality is that we should become accustomed to these things but it is also important to reflect on the fact that the state of the Australian economy is the product of over a decade of hard decisions and progressive reforms. It is a product of the coalition government.

The Australian government has made fundamental progress over the last decade. That progress has not been matched by the Labor Party when you look at the decisions it has made and the reforms it has fought against. Labor has long opposed moving the budget into surplus. It has opposed the payment of $96 billion in debt, yet the removal of this debt has saved Australia $8 billion in interest payments per year. Labor has opposed taxation reform, the most obvious being the introduction of the GST. This reform has delivered significant levels of additional revenue to strengthen and improve services to our communities. The introduction of the GST has also led to the abolition of other taxes and duties, which has benefited many people but not as many as the federal government would have liked.

Labor has opposed industrial reforms that have created more flexible workplaces and have generated economic growth. This is evidenced by the 320,000 full-time jobs created in just the last 13 months. In addition to Labor’s continual opposition to policies of economic reform, the inadequacy of Labor’s economic performance cannot be overstated. We should reflect on the legacy of a $10 billion deficit, the desperation of Labor’s asset sales, the 17 per cent interest rate and the 11 per cent unemployment rate. We should reflect on Labor’s negative economic growth, spiralling inflation and the general cynicism felt by people about their own positions.

The Leader of the Opposition thinks he can skirt around these facts by playing his clean-skin card and presenting a small target for the government to attack. I have to say that it is not a bad strategy and, indeed, I might have advocated it myself once or twice over the past few years. However, there is small, there is tiny and there is minute. The vision and creativity of the Leader of the Opposition’s budget reply were positively minute. Faster Commonwealth government bill paying, a standard disclosure form for financial services products, a superannuation clearing house, small capital grants for schools to build metal workshops, graphic design labs and the like are not big ideas, and they certainly do not count as nation building. They are incremental public policy measures of which there are literally hundreds in the government’s budget.
Let me give you just a sample of these government measures. The government will provide up to $103.5 million over four years as its contribution to a cost-shared initiative with state and territory governments to address the growth in type 2 diabetes by focusing on people aged 40 to 49. This initiative will encourage people to take a tick test when they attend a general practice surgery. Support of $3 million is being provided over two years to manage the orderly entry and stay of the 135,000 international pilgrims expected to visit Australia for World Youth Day 2008. Funding of $56.6 million is being provided over four years to support the design, development and building of the Australian Square Kilometre Array Pathfinder telescope. This will be a world-class radio telescope that will add to Australia’s role in exploring scientific and technological square kilometre array designs. It will also support possible participation in the generation of an international SKA radio telescope facility.

Additional funding of $10.3 million will be directed towards the cost of eradicating the imported red fire ants in Queensland. A further $4 million over four years will help expand control efforts for the yellow crazy ant infestation on Christmas Island. From July 2007 the government will relax the beneficial ownership provisions of the premium 175 per cent R&D tax concession. This measure will allow Australian subsidiaries of multinational enterprises to claim deductions under the concession for their incremental R&D expenditure where the resulting intellectual property is held overseas. The National Portrait Gallery will receive funding of $21.2 million to ensure that the new gallery building will be fully operational when it is due to open. The government will provide $55.6 million over four years to develop two new counselling services to assist separated parents and their children. This is just a sample of the hundreds of important policy initiatives contained in the budget, but even this sample makes the Leader of the Opposition’s offering look very small indeed.

As with every budget in recent times, all attention is turned towards who gains from the budget and how this will impact on opinion polls in the coming election. The Financial Review, behind its wallpaper front page, produced 28 pages of budget analysis and commentary—and that was just the Financial Review. The government’s own website is a veritable goldmine of budget information. Every industry association and interest group worth its salt has produced its own analysis for its membership. In one sense, this attention is a very good thing, but at times, however, I believe that the focus on the detail can distract from the main game.

I believe that the great majority of the Australian people know, deep down, that they will benefit more from steady economic and employment growth, from increased real wages and from continued low inflation than they will ever do from an individual budget measure. So, as I have argued several times before, the first and most important test should be: will the budget deliver these key outcomes? Again, the answer is yes.

Next year we are expecting economic growth of 3¾ per cent, inflation of 2½ per cent and unemployment of around five per cent. The government’s financial position will remain strong, with a surplus of $10.6 billion forecast for the next year. All of the $96 billion of debt the government inherited when it came to office has been repaid. We no longer need to fork out $8 billion in interest payments every year. Indeed, we are now actively saving for the future and, by the end of the financial year, more than $50 billion will have been invested in the Future Fund to support long-term, sustainable government finances.
Another $5 billion will have been invested in the newly established Higher Education Endowment Fund to help finance future capital works and research facilities in our universities. These achievements are the result of the sensible management of government finances and the strong sustainable economic growth this has encouraged and assisted. With continued good management, there is no reason why these favourable conditions should not continue.

With the government in a strong financial position and the economic outlook favourable, there is considerable scope for new initiatives which address important areas of community need. First and foremost amongst these is a comprehensive package of reforms across the university, vocational education and training and schools sector. The centrepiece of this package is the $5 billion investment in higher education. But there are many other important elements of the plan, including measures to address the shortage of skilled tradespeople, the establishment of a further three Australian technical colleges, $700 tutorial vouchers for parents of children who do not meet the national literacy and numeracy benchmarks and a $5,000 bonus for teachers who undertake professional development through a new summer school program.

The government is also making a strong commitment to addressing climate change while maintaining a strong and competitive economy. Since 1996, we have invested $2 billion to develop practical responses to climate change. For example, the $500 million Low Emissions Technology Demonstration Fund is assisting the development of solar and clean coal technologies, and we are active participants in the Asia-Pacific Partnership on Clean Development and Climate.

But there is a universal recognition that still more needs to be done. The budget provides for important new initiatives, including the cost of establishing qualifying carbon sink forests being made tax deductible. The rebate to encourage homeowners to install solar panels will be doubled to $8,000. A $126 million Australian Centre for Climate Change Adaptation will be established. The CSIRO will be allocated $103 million for climate change and energy research. Over five years, $197 million will be provided for the Global Initiative on Forests and Climate to assist developing countries to maintain and manage their precious tropical forests. These measures are in addition to the recently announced $10 billion, 10-year national plan to safeguard the sustainable use of Australia’s scarce water resources, and they are a prelude to the government’s response to the report of the task force on emissions trading.

In the area of transport, a second phase of the hugely successful AusLink program will be commenced, at a cost of $19.1 billion, from 2009-10. The government will also increase funding for current AusLink initiatives by $695 million to assist in bringing those projects to completion. This program reflects true nation building. It encompasses important projects like the Pacific Highway, the Deer Park bypass and the Caboolture Motorway, and it will greatly improve the efficiency, adequacy and safety of the national land transport system.

I will now turn to defence. The government is spending $6.6 billion over 13 years to purchase and operate 24 FA18F Super Hornet aircraft in order to secure air combat capability, to maintain air superiority in our region and to ensure a smooth transition of service of the F35 Joint Strike Fighter. A further investment of $1.4 billion over 10 years is also being provided to operate and maintain four new C17 heavy lift aircraft.

Budgets are about big projects and visionary ideas. They are also about people, particularly those who have worked hard and sacrificed so much to make Australia the place it is today. In
recognition of the role which senior Australians have played in creating our economic growth and to ensure they share in the benefits of this growth, the government is again providing a bonus of $500. This will go to those who are eligible for either the utilities allowance or the seniors concession allowance.

In recognition of the special contribution of carers to Australian society, the government will once again provide a $1,000 bonus to recipients of the carer payment and a $600 bonus for recipients of the carer allowance. As with previous bonuses, these will be paid before 30 June. They will be tax-free and will not affect social security entitlements.

To provide Australia’s most disabled veterans with greater financial support, from July 2007 the fortnightly payment of the special rate disability pension will increase by $50 and the intermediate rate pension will increase by $25. In what I think is a long overdue recognition of the tremendous sacrifices made by Australians who were prisoners of war in Europe, the government will provide a one-off payment of $25,000 to either the former prisoner of war or their surviving widow.

Some years ago the Treasurer outlined a very sensible and measured budget doctrine: once the budget was balanced, outstanding debt repaid or allocation provided for future financial obligations and important new services funded, consideration should be given to cutting taxes. Over the last few years this doctrine has delivered substantial tax relief for all Australians. Again this year, there will be personal income tax cuts for most Australian income earners. From 1 July this year, the 30 per cent threshold will rise to $30,000. The low-income tax offset will also rise from $600 to $750 and begin to phase out later. From 1 July 2008, the 40 per cent tax threshold will increase to $80,000 and the 45 per cent threshold to $180,000. These changes build on the tax cuts announced in previous years and will ensure that more than 80 per cent of taxpayers face a top marginal tax rate of 30 per cent or less. They will improve Australia’s international competitiveness and enhance incentives for participation.

I have spoken some length today about the new programs and initiatives outlined in this year’s budget. These incremental changes should not be allowed to overwhelm the total picture painted by the budget. The simple fact is that next year the Commonwealth will spend $96.5 billion on social security and welfare, $43 billion on health, almost $18 billion on education and nearly $20 billion on defence. These are key priority areas and the programs funded within them are all vital to Australian society. But funding these programs on an ongoing basis requires maintaining an environment conducive to growth and prosperity. This is what the government has done and, given its re-election, what it will continue to do in the future. There will be no wild tax incentives and spending. There will be commitment to stable economic management and sensible funding of key programs addressing both current needs and long-term goals. I commend the bills to the chamber.

Mr MURPHY (Lowe) (12.25 pm)—I rise to speak on Appropriation Bill (No. 1) 2007-2008 and related bills. In particular, I want to raise the matter of the demise of pricing surveillance at Sydney airport following a sequence of decisions by the Howard government. I raise this issue because of the ongoing practical implications for both passengers who purchase services from Sydney as well as corporate tenants who hold retail leases on Sydney airport land. Both airport tenants and passengers are subject to the decisions of this chamber—in particular, the price people pay for airline tickets and other airside and landside fees and charges. Everything we pay for from the moment we park our car at Sydney airport—from the airline
ticket to the cup of coffee or newspaper we buy—is affected by this chamber’s decisions concerning pricing surveillance. There are two issues of critical importance to all Australians—and particularly to Sydney residents and to the people I represent who rely so heavily on our only airport—that bring me to raise this within the context of the appropriation bills. Both these issues are closely connected. These issues concern access to travel. The first issue is financial access and the second issue is geographic access.

I will not speak today about the geographic issue because there is not sufficient time, but that is connected insofar as Macquarie Bank has bought all the motorways that access Sydney airport. From the petrol bowser to the aircraft seats, consumers pay Macquarie Bank and its affiliates and subsidiaries many times over, which is why I raise the matter of pricing surveillance at Sydney airport in this debate today. On 6 April 2006, the Howard government asked the Productivity Commission to review the existing arrangements of airport pricing regulation. In September 2006, the Productivity Commission issued a draft report titled *Review of price regulation of airport services*. At page 12, that review said:

... it is still too early to judge whether price monitoring, in conjunction with the Part IIIA national access regime, will:

- provide a reasonable constraint on misuse of market power by airports as the influence of the previous regulatory regime recedes; and
- foster the attitudes, trust and commercial relationships between the parties that could, at some stage in the future, obviate the need for prices oversight.

Thus, neither reversion to stricter price controls, nor dispensing with price monitoring and relying solely on Part IIIA, would be justified.

To fully appreciate the Productivity Commission’s conclusion it is necessary to review the history of pricing surveillance at Sydney airport. It is further necessary to understand how this so-called price monitoring has worked relative to the recent history of operational manipulation being attempted by the Sydney Airport Corporation Ltd. I will explain this point later in this debate in light of the recent decision of the ACCC in the Virgin Blue matter.

I note that the conclusion of the Productivity Commission report that I have just cited was published in September 2006. It is now May 2007, some eight months since the date of that conclusion. For this reason I believe it is important to revisit the issue of pricing surveillance today, particularly in light of the recent developments in the Australian Competition and Consumer Commission in the Virgin Blue decision that I referred to earlier. I will speak on this decision and its significance to pricing surveillance of Sydney airport, but first I wish to remind members of the House of the history leading to the debacle between Sydney Airports Corporation Ltd and Virgin Blue as a clear example of this government’s flawed aviation and pricing surveillance policy concerning Sydney airport.

Members of the House and the general public are aware that Sydney airport is a designated airport within the meaning of the Airports Act 1996. As noted in the 2003 annual report of Southern Cross Airports Corporation Holdings Ltd:

On 25 June 2002, the Commonwealth Government announced the sale of Sydney Airport to the Southern Cross Airports Consortium for $5.6 billion. The sale transaction was completed on 28 June 2002, at which time Sydney Airport Corporation Limited (SACL) was acquired by Southern Cross Airports Corporation Pty Limited.
This means that Southern Cross Airports Corporation is the parent of SACL. Sydney Airport is one of 17 major airports, all of which have been privatised. Between 1997 and 1998, the Howard government introduced transitional price regulation, which included a five-year cap on prices for what are called ‘aeronautical services’ at 11 of the largest of the 17 major airports. This pricing was to be capped against what is known as the CPI-X index. It is significant to note that, at that time, Sydney airport was not subject to this price capping. Instead, Sydney airport was subject to what was known as ‘pricing notification’ and ‘price monitoring’. I quote from page 248 of an inquiry report of the Productivity Commission, titled *Price regulation of airport services*, Report No. 19, published on 23 January 2002. It states:

Since it took over the operation of Sydney Airport, SACL has been subject to prices notification for aeronautical services and monitoring for aeronautical-related services under the PS Act for the same groups of services as the privatised airports (chapter 3). It has not had a price cap imposed but, like all declared companies, it must inform the ACCC of proposed price increases for notified aeronautical services … Additional elements include the introduction of price monitoring for some services, the inclusion of necessary new investment as a justification for price increases and the monitoring of service quality under the Airports Act.

In 2000 the Productivity Commission was asked by the government to inquire whether price regulation was required at private airports. In response, the Productivity Commission drafted the *Price regulation of airport services* report, which I have referred to. This report recommended what was to become known as the ‘light handed’ regulatory regime. I quote from page 46 of that report, where it states:

For Sydney, Melbourne, Brisbane and Perth airports, price caps and prices notification arrangements should be replaced by mandatory price monitoring arrangements for a probationary five-year period …

On 13 May 2002, the government announced that it had accepted the recommendation that price monitoring will be carried out for five years, commencing from 1 July 2002, and an independent review will be carried out towards the end of the five-year period to ascertain the need for future airport price regulation. It is significant to note that, in 2002, these price monitoring arrangements were not to impact on so-called regional services into and out of Sydney airport. It is equally significant to note that the Productivity Commission defines ‘aeronautical services’ as services provided by infrastructure that facilitate aircraft movements—for example, runways—and passenger processing facilities.

The current regime of pricing regulation, loosely defined, may thus be described as (1) the monitoring of charges for aeronautical and aeronautical related services; (2) notification for regional air services; (3) service quality is monitored at Sydney airport; and (4) price notification is made under the Prices Surveillance Act. Members of the House will know that the major tenants of airports are the major airline carriers, such as Qantas, and domestic carriers, including Virgin Blue Airlines. Commencing in 2003, a major commercial dispute arose between the Sydney airport lessee company, Sydney Airports Corporation Ltd, and Virgin Blue on the basis upon which landing fees, an aeronautical fee, related to the use of aeronautical or airside services—in this case landing fees.

In September 2003 Virgin Blue tabled its application for declaration of the airside service at Sydney airport in response to the issues raised in submissions on the NCC’s draft recommendation. The dispute is best described in the Virgin Blue media statement released only seven days ago:
After four and a half years of commercial conflict, Virgin Blue and Sydney Airport Corporation have reached an amicable agreement regarding domestic runway landing and take off charges at Sydney Airport.

We simply sought an independent view—via application to the ACCC for declarations—of a unilaterally imposed pricing regime which was applied to and impacted our business without the right to a normal negotiation process. Airports have the ability to dictate pricing terms and conditions upon airlines and many have.

SACL’s change to aircraft landing and take off charges from calculation on aircraft maximum take-off weight (MTOW) to calculation on per passenger basis, severely disadvantaged our business increasing our landing fees by approximately 53 percent.

I put it to this chamber that this recent example of the manner in which SACL is ‘dictating pricing terms’ with a ‘unilaterally imposed pricing regime’ is self-evident of a pricing regime that is manifestly monopolistic and shows flagrant disregard for basic regulatory safeguards that are in place to prevent exactly what the media statement notes with much authority—that is, airport lessee companies indeed have ‘the ability to dictate pricing terms and conditions upon airlines and many have’.

This brings us to the independent review of 6 April 2006, which I have mentioned, and its draft report. We are now eight months into these famous last words. Here we are, in the debate on the appropriation bills, discussing the question of how well the government has faired in responding to the question, posed by the Productivity Commission’s draft report of 6 April 2006, of whether we are now in a position:

... to judge whether price monitoring, in conjunction with part IIIA—

the national access regime—

will provide a reasonable constraint on misuse of market power by airports as the influence of the previous regulatory regime recedes ... and foster the attitudes, trust and commercial relationships between the parties that could, at some stage in the future, obviate the need for prices oversight.

I put to this House that, but for binding declarations by the ACCC in a formal dispute process, Virgin Blue would be out of pocket with up to 53 per cent increases in landing fees—fees which inevitably would have been forced onto the passenger. I further put to this House that on the contrary, thanks to this government’s laissez faire attitude towards giving Macquarie Bank carte blanche on pricing and the way it charges for landing and other fees, an attitude of manifest distrust has emerged where SACL has done everything in its power to drain moneys from both tenant and passenger in the most underhanded way. The result is self-evident in the Virgin Blue debacle. It ought not come down to all-out litigation and quasi-judicial determinations of the kind seen in the ACCC that place an entire industry in jeopardy, including the servicing of our domestic fight services for Australia. The Virgin Blue case is evidence enough that we are certainly now in a position to judge whether price monitoring alone is sufficient. The answer is a resounding no. I therefore call upon the Howard government, in light of the demonstrated failure of price monitoring and its so-called light-handed approach, to rediscover and implement true pricing surveillance for Sydney airport.
I was elected to federal parliament on the issue of aircraft noise. I have a keen interest on behalf of my constituents in relation to the operations of Sydney airport, particularly since it has been privatised and bought by Southern Cross consortium and bankrolled by Macquarie Bank, who, I have said many times in this chamber, are only interested in seeing Sydney airport operate as a car park and a shopping centre, to the detriment of people living in the inner west particularly.

I would like to raise the Australian National Audit Office report No. 29 2006-07: Implementation of the Sydney Airport Demand Management Act 1997. On page 17 of that report, paragraph 15, it says:

The SADM established a system of penalties for unauthorised aircraft movements so as to protect the integrity of the movement limit, and establish clear guides for airport users as to the range of sanctions that may be levied in the form of an infringement notice or civil prosecution.

At paragraph 16 it goes on:

There is evidence of a high number of unauthorised aircraft movements (movements without a slot and movements outside the slot tolerances) having occurred at Sydney Airport. However, since the scheme commenced in 1998, no infringement notices have been issued to operators or other penalties applied.

At paragraph 18 it says:

Further, the SADM Act requires Airservices Australia to monitor and report breaches of the movement limit to the Parliament through its Minister. However, reliable and accurate records do not exist to evidence past monitoring of compliance with the movement limit, and support the reports made to Parliament.

Here, again, Airservices Australia, which is responsible for this, is not doing its job. I take this opportunity this afternoon to call on the minister to require Airservices Australia to provide information in relation to these breaches so that the parliament, principally the Howard government, can do something to redress the breaches that are occurring every day at Sydney airport.

I have been speaking for years on behalf of my constituents about the failures also of Airservices Australia to fully implement the long-term operating plan at Sydney airport. The plan was introduced by the Howard government to alleviate noise for people living around the airport—particularly those people who live to the north of Sydney airport—and we were promised that, under the long-term operating plan, constituents in my electorate immediately to the north of Sydney airport would receive 17 per cent of all air traffic movements to and from Sydney airport.

It is with profound regret that I report today that the very latest statistics for March available from Airservices Australia indicate that we are receiving 31.5 per cent of all air traffic movements to and from Sydney airport. So my constituents and all the people of the inner west of Sydney airport are being bombarded with dirty, noisy planes flying over homes, schools, child-care centres and nursing homes when, more appropriately, the planes should be flying over the water and cow paddocks, and they would be if the government did something about giving Sydney a second airport to give some relief from Sydney airport. It is disgraceful that under the master plan for Sydney airport, which the government has signed off on and which has been readily embraced by Southern Cross and Macquarie Bank, there is going to be massive expansion of Sydney airport over the next 20 years. We are going to receive double...
the number of air traffic movements and we are going to receive within the foreseeable future up to 500,000 air traffic movements in and out of Sydney airport.

That is a disgrace. After all the questions I have asked exposing the fact that the long-term operating plan for Sydney airport has not been properly implemented and that the people that I represent are at the moment unfairly carrying the burden of something like double the air traffic movements promised and getting close to a third of all the air traffic movements in and out of Sydney airport, it is a disgrace that all the transport ministers I have pursued have given up. That is disgraceful and it betrays the very people who elected the Howard government in relation to air traffic noise. I take the government back to its original policy that the coalition produced before the 1996 election. It was called Soaring into Tomorrow, and they promised that they would fix aircraft noise and that Sydney airport would not be sold until the problems associated with aircraft noise at Sydney airport were fixed.

The government has failed on both counts because we continue to receive twice the amount of noise that we were promised in the inner west of Sydney. Worse, the government has announced that there will be no requirement for a second airport in the next 20 years, and has flogged off the airport, which has been used by Macquarie Bank as a milking cow. It is little wonder that we had the unedifying spectacle last week of learning that the Chief Executive Officer of Macquarie Bank, Mr Allan Moss, is on a salary of about $34 million; it is because Sydney airport, amongst other funds, is operating so well—(Time expired)

Mr SOMLYAY (Fairfax) (12.45 pm)—It is my pleasure to speak in this debate on the appropriation bills because this is the best budget that I have seen in my 18 years in this place. This budget is responsible, cleverly crafted and carefully targeted by the Treasurer. This again demonstrates that the Howard government is a compassionate government. It is a caring government which is unashamedly pro-family and pro-small business. Every budget is remembered for two aspects: firstly, its macroeconomic effect—whether the budget is expansionary, contractionary or neutral, and whether the fiscal outcome will have an influence on monetary policy—and, secondly, whether there are new policy initiatives, ideas and directions that will be significant enough to make the budget a memorable one. In that regard I do not mean the cliches that have dominated past Labor budgets like those under former Treasurer Keating, when he referred to the recession we had to have and the budget that brought home the bacon and nonsense like that. When I say that this budget is cleverly crafted and carefully targeted by the Treasurer, I mean that the government is continuing to nation build.

Successive budgets have established and built on national savings. Anyone who has been involved with the budget process will know that the two aspects I have mentioned do not give a true indication of how much work really goes into the more mundane or less controversial—but no less important—parts of the budget process. I am specifically referring to the expenditure side of the budget: the interaction between Treasury and finance portfolio departments. It is hard work to achieve the fiscal discipline demonstrated by the Howard government over the past 11½ years, and I know that from personal experience in my time as a minister in the first Howard government. Every dollar of expenditure in every program of every department is revisited over and over again by our dedicated and competent officials in these departments. There is much negotiation and some good old-fashioned horse trading involved in delivering a good budget which is fiscally responsible.
Under the Howard government, there are no smoke and mirrors involved in our financial management. Other speakers on this side have referred to the $96 billion debt we inherited from the Keating government in 1996. The $96 billion debt came about as a legacy of successive budget deficits under Hawke and Keating Labor governments. A budget deficit has to be financed. It has to be financed by loans or by printing money, as the Whitlam government did. Loans have to be repaid, and they have to be repaid with interest. The interest bill in Labor’s last year of office was $8.5 billion, yet they plunged the government further into debt and they hid the debt from the Australian people. Labor were borrowing money to pay their interest bill. In the week before the election in 1996, the then Minister for Finance, the current member for Brand, told the nation that the budget was in balance. The week after the election, when we had won, Treasury officials revealed to the new Treasurer, the Hon. Peter Costello, what we, in opposition, had really suspected—that the budget was in deficit. But we had never suspected that it was in deficit to the tune of $11 billion, further adding to federal government debt. Labor equals deficit and debt. It is in their DNA.

I was on the JCPA, the Joint Committee of Public Accounts, when it recommended to the Keating government that it adopt the fiscal responsibility model operating in New Zealand. That was under the chairmanship of Les Scott, who was a member of that government. This recommendation was not accepted because, as it turned out, the last thing that the Keating government wanted to be required to do was to tell the truth about the state of Labor’s financial mismanagement.

One thing we did in government was introduce the Treasurer’s Charter of Budget Honesty. Together with the Financial Management and Accountability Act and the Auditor-General’s Act, we reformed the finances of the Commonwealth. I was Chair of the Joint Committee of Public Accounts that examined and recommended these financial reforms. Why did we introduce that Charter of Budget Honesty when the Labor Party refused to? It was not because we did not trust ourselves to tell the truth about the nation’s finances. We do trust ourselves. It was because we did not trust Labor. We did not trust Labor then, nor would we in the future. In 1996-97 that was fresh in our minds. Under the charter, at election times, governments are forced to tell the truth about the books. We never want to see a new government forced to face the financial mess that the Keating government left the Howard government. People voted in 1996 believing that the Keating government had a balanced budget. They threw the government out in a landslide. It was ‘annihilation’—to coin a phrase. Imagine what the result would have been if people had known how broke the nation was, with it being $11 billion in deficit.

It is an empirical fact that the Labor Party cannot handle money. Labor cannot run away from it. It is a historical fact. If we look at the current situation in the states, the Labor state governments have a cumulative debt. That is the Labor way; as I said before, it is in its DNA. We have enjoyed the results of strong economic management by the Howard government for so long that we have forgotten what Australia was like under the management of Labor—debt, high deficits, high inflation, high unemployment and recession.

This budget builds on the prudent management of the economy over the past 11½ years. It builds on the surpluses of previous budgets and adds to the stock of savings in the Future Fund and now in the Higher Education Endowment Fund, which provides capital funding for the future expansion of our universities. It enables us to help those in need with welfare. It enables us to help refugees, pensioners and the disabled. It enables us to encourage new in-
dustries, which provide new employment. This government is about economic stability, which enables us to be in a position to help people help themselves and to support those who cannot.

Even as we suffer the worst drought in 100 years, this budget assists farmers who are struggling in these trying times. That is what prudent budget planning is all about. The fact that we have paid off Labor’s $96 billion debt frees up revenue to use in a more positive way. The Treasurer has grasped that opportunity to deliver a very positive budget. I believe that the Treasurer in this budget has encapsulated what being an Australian is all about. As a society, we strive to create wealth and share that wealth with those in our community who are unable to support themselves. We must balance care for our community with care for the environment, while not forgetting to plan for the future welfare of our people, our economy and our environment. We are able to help Australians achieve their aspirations; that is what this budget is all about. I welcome all its positive, sensible initiatives—the education support for students and staff, the measures to address trade skill shortages, the income tax changes, the childcare changes and the bonus payments for pensioners, seniors and carers.

I am particularly delighted by the initiative in the area of dental health. I am Chair of the House of Representatives Standing Committee on Health and Ageing. We tabled a report on the financing of health services last year in which we recommended that the government should address the question of dental health care. That is something I have been advocating and working towards for some time. This budget provides funding for the establishment of a new regional dental school and for encouraging city students to undertake their dental training in regional settings. These are positive and important initiatives for future dental care. It is a proven fact with the medical profession and health professionals that, if you train a doctor or a dentist in the bush, it is more likely that they will stay in the bush. So, if we want doctors, dentists and other health professionals to work in the regions, training them in the regions is very important.

What really gave me personal satisfaction was the immediate help offered to people who are suffering while on dental waiting lists. For the first time the budget, through Medicare, recognises that oral health is linked to primary health care. The amount of $378 million has been allocated over four years for additional Medicare funding for patients whose dental health is impacting on a chronic medical condition. If they are referred by a doctor, a Medicare benefit of up to $2,125 per person per year will now be available for dental treatment in the private sector. Not only will this private sector care provide fast and efficient relief for those patients; it will also take pressure off the public waiting lists.

Dental health is not a federal issue; it is the responsibility of state governments. However, as I have said, as Chair of the House of Representatives Standing Committee on Health and Ageing, I have seen how the states have neglected dental health. I have seen the misery and the escalation of problems caused by this neglect. I know that the waiting lists in my seat of Fairfax on the Sunshine Coast are totally unacceptable. It is not acceptable for someone who is in need of dental attention to have to wait not weeks, not months but years for an appointment under our state health system. It really begs the question as to why we need state governments, when we see them failing to accept their core responsibilities in health and education. That is a big thing for me to say. When I entered this House, I was an absolute ‘states’ righter’, but I have changed my view over time.
I have a lot of contact with schools in my electorate and I am constantly impressed by both the students and their teachers, but I believe that state government is again failing them in the areas of curriculum training, support and opportunities. I am anxious to make sure that the Sunshine Coast, my electorate, gains maximum benefit from the new budget initiatives. The Minister for Education, Science and Training, Julie Bishop, has agreed to come to my electorate in the winter recess to explain to education authorities the budget changes, particularly education authorities at the University of the Sunshine Coast.

The plan to assist parents with a primary school child who needs extra tutoring to reach national literacy and numeracy benchmarks is a wise move because it will catch learning problems early, before the child slips too far behind and becomes demoralised. A little help with literacy and numeracy at the primary school age can prevent major problems from occurring in secondary schools and can affect future life opportunities for those children. It benefits the children and their teachers and parents and, in the long run, our society. I am also happy to see that teachers in schools will be recognised and rewarded for achievement in professional development. I have to ask again what the states have been doing. How did they let the standards in our schools deteriorate so much that the Commonwealth has had to step in to rectify the situation?

There are so many more great initiatives in this budget. There are the Higher Education Endowment Fund, the tax cuts, the bonus payments to seniors and recipients of carer payment and carer allowance, investment in transport infrastructure in rural areas and water and the environment. Australians have had all this good news in the budget, but what have we had from the Labor Party and sections of the media, who seem to have their own agenda? We have had only negatives.

I must say that the Sunshine Coast Daily, the daily newspaper in my electorate, was fixated on finding negatives in the budget. The media across Australia accepted the budget pretty well, but the local media in my electorate did not want to publish any good news. It was only interested in trying to find stories about people who, it believed, did not benefit directly from the budget. It only wanted to do stories on people who had missed out. It was determined to find losers in the budget. However, I think it will be looking for a long time, because there are no losers in this budget.

When budgets were delivered many years ago, people would read the documents anxiously in order to find out what charges, fees and taxes had gone up and how they themselves would be negatively affected. The expectation of the community now is that people should get a dividend out of the budget—and that is exactly what Treasurer Costello has delivered. The budget should not be seen in the microsense of ‘what benefit do I get?’ It should be seen as good, stable economic management that allows jobs, productivity and the economy to grow, because in the long run that provides opportunities and benefits for all of us. It takes more than compassion to help the disadvantaged and needy in our society. Certainly, you need heart and compassion to recognise and understand the needs of others, but you also need the resources of a strong, stable economy to pay for whatever help is required. I commend the Treasurer for his work in building such an economy. This budget continues to nation build and I commend it.

Sitting suspended from 1.02 pm to 4.00 pm

MAIN COMMITTEE
Ms BURKE (Chisholm) (4.00 pm)—I am pleased to be speaking in this appropriation debate before the Main Committee today. For 11 long years we have been waiting for the Howard government to show some leadership by detailing a vision for this country, a comprehensive vision of what they are going to achieve for all Australians and how they are going to achieve it. The wealth generated by the mining boom has given the Howard government a golden opportunity to invest in the long-term future of this country by investing in infrastructure, addressing the challenges of climate change and taking measures to boost our national innovation and productivity. But this year’s budget failed the future test dismally. This year’s budget should have been about the next 10 years. This year’s budget should have been about nation building. Instead it was about short-term electoral advantage in shoring up the Howard government’s chances at this year’s election, which means it and the Howard government have failed all Australians.

My constituency in Chisholm are concerned about the issues that affect their daily lives, in particular, higher education, water, climate change, health, child care and industrial relations. You would think that after 11 long years we would be going forward in all these areas. Instead, we have gone backwards. My constituents know that our education system is crumbling while the Howard government has stood idly by watching it happen—indeed, making much of it happen. Their children and grandchildren cannot get a place at university. They cannot afford to pay the skyrocketing fees and they cannot afford to pay for all the services that used to be free or low cost before the government disbanded student unions. They cannot afford to get a place at a TAFE—indeed, most of the TAFE places seem to be going off into these weird and wonderful things called ATCs. They see how the 11-year drought, combined with denial and inaction by the Howard government, has crippled our water supplies. Dam levels are at all-time lows, severe water restrictions are in place, gardens are dying and fruit and vegetables are expensive to buy. My constituents read daily in the newspaper about the effects of climate change and how the world that we are leaving our children is going to be a much hotter, drier and more inhospitable place. Indeed, we are the only generation alive who will actually leave a worse environment to their children than the one we had ourselves. This is not something to be proud of. The Howard government knows that it needs to take urgent action, but it has done nothing—and it is worried. It is worried because the polls are telling it so, not because it believes it needs to do something.

As many of my constituents are getting older, health is a very important issue for them. But instead of having a genuine universal healthcare system, the Howard government has created a less efficient healthcare system that delivers less and is propped up with a safety net. The Howard government agenda is to get as many people onto private health insurance as possible, whether they can afford it or not, and with rising private health insurance premiums many cannot afford it. If the Howard government wins the election and sells Medibank Private, all health fund fees will go up. Private health care is becoming unaffordable. Many in my electorate of Chisholm have private health insurance and struggle to maintain their private health insurance as self-funded retirees or as pensioners. Many are now faced with the unenviable choice of having to give it up because they simply cannot afford to keep paying those premiums. In addition, many of my constituents are waiting years to access public dental care because the Howard government has slashed funding and blamed the states.
People in Chisholm are also concerned about Work Choices and the Howard government’s attack on their employment and their children’s and their grandchildren’s ability to secure well-paid employment with good working conditions. They are struggling with mortgage re-payments, rising interest rates and a high cost of living. They are finding it difficult to understand why, at a time when the country is awash with profits from the mineral boom, they are fighting to hold onto hard-fought-for working conditions. The budget did precious little to address these issues and it made no attempt to deliver a national vision. Therefore, it failed my constituency—the very people it was supposed to help.

Higher education is a big issue in my electorate of Chisholm and it is an issue close to my heart. Two of Australia’s largest universities are housed in Chisholm. Monash University’s Clayton campus, the largest campus in Australia, and Deakin city campus in Burwood are in my electorate, together with a large proportion of students and academics who also live in the seat. On top of that, we have a world-class TAFE at Box Hill. There are also a lot of families with children in high school who aspire to a university education and their parents and grandparents who want them to get one.

They all worry that a university education is becoming more and more out of reach, and for good reason: it is. Ten years of underinvestment by the Howard government means government recurrent funding to universities has fallen by 0.9 per cent of GDP in 1996 to just 0.6 per cent in 2007. The Howard government’s investment in education has declined as a proportion of GDP during its term in office. Australia’s overall investment in education is 5.8 per cent of GDP. This puts us behind 17 other OECD economies, including Poland, Hungary and New Zealand. This is a disgrace. That means fewer university places, less funding for courses, fewer teaching staff, less equipment and less student financial support. It means more of the financial burden falls unfairly on students and their families.

The government’s Higher Education Endowment Fund will go some of the way towards addressing this, but it is not enough—not by a long shot. The $300 million per year to upgrade university facilities will be divided up between each of our 38 universities. That is not even $8 million per university per year. How many of them have outstanding repair bills worth much more than that? To put it in perspective, the outstanding maintenance bill at Australian universities for just one year was $1.2 billion in 2005 and growing. At ANU alone, the capital and maintenance backlog exceeded $500 million.

Each university will be required to buy into the endowment fund by providing matching funds to increase their chances of getting a grant. Where does that leave the smaller, poorer and regional universities, I ask? Although the Howard government has committed to providing additional Commonwealth recurrent funding in a range of priority courses, it just does not go far enough. HECS fees for over 50,000 students studying accounting, economics or commerce will increase by more than $3,500 over an average three-year degree. This means students will pay nearly $25,000 for a degree in these disciplines. This is the thin end of the wedge. The cost of getting a degree is becoming prohibitive, shackling students with ridiculous amounts of debt for years to come.

This year’s budget also saw the Howard government remove the limits on the number of full-fee paying university places. Increasing the number of full-fee paying places is another example of the Howard government shirking its responsibility to properly fund our universities. Full-fee places are inequitable, and a Rudd Labor government will get rid of them, as I
have said on numerous occasions in this place. One of the constituents in my electorate, two years ago, got a 95.5 TER score, which is pretty amazing. She is the ninth child of an Italian family. She got the Monash Law Prize and she applied for law at Monash. Funnily enough, she got 95.5 and the cut-off at that time was 95.7. She missed out by 0.2. Had her parents been able to pay the full fee, she would have required only an 89 TER score. Where is the equity in that? You tell me. The members on the other side do not get that. They do not get that it is inequitable to be able to buy your way into a university. You should get there by your ability, by your own endeavours.

Currently there are an increasing number of students living in poverty, struggling to study and pay their bills and working too many hours to pay the rent rather than concentrating on their studies. While student income support received a modest increase in the budget, considering the decline in student financial assistance under the Howard government, even the increase means students will not keep pace with the cost of living. The fact remains that our higher education system has gone backwards under this government.

Unfortunately, in my electorate we have seen a number of scandals recently with students living in substandard housing. People are exploiting students in this way. A lot of them are foreign students, but also country kids moving into the area are living in appalling conditions. They are being forced to because they literally cannot afford to go to university and survive.

The budget was a great opportunity for the Howard government to address the dual challenges of water and climate change to make up for their complete inaction on water and climate change over the last 11 years. I was really surprised recently when the Prime Minister said that there might not be an allocation out of the Murray-Darling this year. I found it a bit naive that, after 11 years of being in government and not having had rain for 10, he was a little surprised that there might not be water in our system. It shows their complete lack of vision in this area. This year the budget failed the climate change test and showed the Howard government’s complacency over water.

The budget announced a spending commitment of less than half of one per cent of the $10 billion national water plan in the next financial year. On top of that, the budget highlighted an extraordinary lack of detail and programs for water. The first real spending on water does not come until 2009-10, and after three years the government will have only spent 11 per cent of the $10 billion. We need action now, not in three years. Action is needed now to deal with the problem of overallocated water licences. The budget also does not contain a single new program for urban water. How can the government call its water policy a national water plan when 17 million Australians living in coastal areas are not part of the plan?

Action on climate change is as vitally important for our environment, our economy and our future. But true to the government’s lack of form on water, I see the budget also fails the all-important climate change test. The Prime Minister and the Treasurer have once again failed to acknowledge that the magnitude of the climate change challenge will ultimately cost Australian jobs and hurt the Australian economy. The climate change budget is less than 0.1 per cent of GDP and declines over the forecast period. What an appalling indictment of this government.

Three major UN reports this year have broadcast loud and clear the risk climate change poses to our environment, our economy and our way of life, but the message still has not got through to the Howard government. There were no initiatives announced to help stop our
greenhouse gas pollution from rising to dangerous levels—27 per cent by 2020. The budget will not create any new Australian clean coal jobs. Clean energy has been ignored in the budget. There is no emission-trading scheme, no long-term targets for emission reductions, no increase to the mandatory renewable energy targets and now no new substantial funding initiatives outside the solar rebate program. The only glimmer of hope was the government’s decision to join Labor in increasing support for the solar rebate program, and that was only after originally planning to abolish the scheme and slash the size of the rebate.

It would be nice if the Howard government chose to take some decisive action on climate change. But the only decision they seem to have made is to spend around $23 million of taxpayers’ money on a direct mail and advertising campaign to shore up their prospects in the next election. The only other action they seem to be taking—committing Australia to a nuclear future—flies in the face of what Australians want. In today’s papers we read the Howard government is seeking advice on whether it can override state governments to impose 25 or perhaps 40 nuclear reactors on communities around the coast of Australia. That is funny; I don’t remember Australians voting in favour of nuclear power at the last election, just as I do not remember them giving the Howard government a mandate at the last election to slash their wages and working conditions. If this is the Prime Minister’s version of acting on climate change then it is a sad indictment of the Howard government. This year’s budget proved one thing: that only a Rudd Labor government has the vision and courage to act decisively on climate change.

There were big gaps in this year’s health budget—actually I am not sure that there really was a health budget this year at all. One of them was the failure to seriously address dental health. The public dental health waiting list in this country currently numbers 650,000 people. This budget achieved nothing for these people. In a First World country awash with the proceeds of a resources boom, this is a disgrace. People are waiting years to have basic dental work done. Left untreated, poor dental health leads to myriad other medical problems. Under this budget the Howard government will continue to pour more money into its failed scheme to supply dental care to people with chronic diseases. This scheme does not apply to the 650,000 people on the dental public waiting list. It also has complex referrals and involves patients paying very high out-of-pocket costs. In 1996 the Howard government scrapped the successful $100 million a year Commonwealth Dental Program and left public dental patients on the scrap heap and then blamed the states for huge public dental waiting lists. I thought the Prime Minister was supposed to stand up for the battlers.

Preventive health care was also ignored in this budget. We have a national epidemic of diabetes, obesity and heart disease, yet little is being done by the Howard government in this area. We need a health minister who is willing to show leadership in taking preventive measures to tackle this public health time bomb we are sitting on. We need a comprehensive approach, including in the areas of public health, the economy, taxation, education, advertising, marketing, research, communications, regulations, prohibitions, persuasions, planning, construction and transport. And what have we got? Nothing; absolutely nothing. We are sitting on a time bomb of diabetes and cardiovascular disease. The World Health Organisation predicts this, and we are doing nothing. We are sitting on a time bomb of depression. Very little is going towards preventing these diseases. If there were targeted, affordable, cost-effective programs, we could avoid these issues. We are not doing so.
Affordable child care is a big issue for families in Chisholm. Every time I go out there and speak to somebody, every time someone walks through the door, this is one of the issues that comes through loud and clear. It is expensive and hard to find. Over the last four years, child-care fees have increased by more than 12 per cent every year, which is more than five times the increase in the cost of living for a family. That is a huge impost on a family budget. The budget provided families with some relief on child care but not nearly enough. Funnily enough, action to help families with childcare costs only seems to have happened in an election year. The one-off budget measure of a 13 per cent increase in the childcare benefit will cover only one of the 12 per cent annual increases in childcare fees. Families will continue to shoulder the burden of annual childcare cost increases, and most families will not receive anywhere near the $8,000 trumpeted by the Treasurer. In fact, the average payment under the childcare tax rebate is closer to $813 per family per year.

The childcare tax rebate changes in the budget will not deliver any extra funding to help families with the cost of child care. Bringing forward the childcare rebate was just the Howard government finally delivering on a promise made at the last election. Parents have already waited for up to two years to get their rebate. This year’s budget announcement simply delivers on the Howard government’s original promise to pay the rebate immediately after the financial year when childcare expenses are incurred rather than leaving them in limbo for up to two years.

The Howard government has failed to deliver for families. What families really need is a Rudd Labor government, which will deliver. Parents will have a right to flexible working arrangements until their child goes to school; parents will have the right to request an extra 12 months unpaid leave; there will be an improvement in the quality and affordability of child care with minimal cost increases; there will be investment in preschool, primary and secondary schools; and there will be a fair and balanced industrial relations system.

Of course, the Treasurer did not mention Work Choices in his budget speech. We dare not mention that name—not even once. Work Choices, that great showpiece of the Howard government’s fourth term in office, was not mentioned once. Funnily enough, it is not mentioned in the Howard government’s new $75 million advertising campaign to rebadge Work Choices either—$4.1 million of which was spent in one week alone—because Work Choices has shown itself to be a complete and utter dud of a policy. People in my electorate know that, because it is cutting back their wages, crippling their working conditions and ruining their and their families’ lives. A constituent of mine, Sherine, came into my office recently. She is 60, she is on an AWA and it has expired. But an AWA can just keep going on indefinitely. Even though it has expired, there is no way that she can go to her boss and say, ‘Look, I really would like to negotiate a new one.’ She can fill in a form to go back to the award; but, if she does that, she reneges on getting any pay rises in the future. So she is left with this AWA that she cannot get out of. If she is on an AWA she cannot get any of the increases under the aptly named Fair Pay Commission, but if she goes back to the award she loses the minimal benefits that she got in the AWA—which were the pay rises in that time frame. So she can go back to the award as it was four years ago or she can stay on an AWA and never get a pay rise again. Sherine said, ‘What do I do? Where do I go?’ She is now leading a campaign in her workplace, not for herself—as she said, ‘I’m 60, I work casually and I can tell the boss what to do because I am beyond caring now’—but for all the young women in that workplace. She is
fighting for them, because they do not have the option to stand up to the boss like she does. For them, it is the only income coming into their family home. I do not think we should be leaving people in that sort of ‘money or the gun’ situation. In this situation there is no money, and the gun is self-inflicted.

The government knows that Work Choices is a dud, and that is why it is working hard to try to sell the unsellable, using taxpayers’ dollars, of course—not Liberal Party coffers but taxpayers’ dollars. Why would people vote in favour of laws cutting their penalty rates, shift loading and holiday pay, putting even more pressure on the family budget? The government did not take this to the last election, funnily enough. The only thing the budget did show up about Work Choices was that there is no economic case for it. The budget forecast confirms that, under Work Choices, employment growth will decline slightly to 1.5 per cent and unemployment will increase slightly to around five per cent. Australia’s productivity growth went backwards for the first six months following the implementation of Work Choices, and it is presently only 1.5 per cent compared to a historic average of 2.3 per cent. Australian productivity growth will decline from the end of the next financial year. It is strong commodity prices and demand for our resources that are largely responsible for our strong employment performance. If Work Choices is such a great success, why don’t all the economic indicators show it?

There is every indication that the Howard government is using tax cuts to buy back voters disenfranchised by Work Choices. I welcome the tax relief for low- and middle-income earners delivered in this year’s budget. Labor has been calling for it for a long time. In fact, Labor has been campaigning for the last two years for these tax cuts, and they were well and truly overdue. But the tax cuts do not come close to handing back the extra tax that the government is collecting due to the mining boom. The Treasurer will collect a hefty $10 billion more in income taxes over the next three years than he anticipated just a few months ago. The tax cuts will not go anywhere near compensating those families who have lost wages and conditions through Work Choices. But these long overdue tax cuts will be welcomed by many local families in my electorate who are struggling with rising health and childcare costs as well as four interest rate rises since the Prime Minister promised to keep rates at record lows. The Prime Minister’s four rate rises have squeezed an extra $240 on average per month out of Australia’s household budgets. Australian families are now losing a higher proportion of their disposable income to mortgage repayments than ever before; higher than under Paul Keating. The great myth of the Howard government is that they are great economic managers. Australians and my constituents in Chisholm deserve a whole lot better. Our circumstances demand decisive action and only a Rudd Labor government has the vision and the courage to deliver it. There are no other options any more.

Mr PEARCE (Aston—Parliamentary Secretary to the Treasurer) (4.20 pm)—It is a great pleasure to rise today to speak on the Appropriation Bill (No. 1) 2007-2008 and the related budget bills. Today, I want to take the opportunity to highlight many of the outstanding initiatives that are in this year’s budget. In doing that, I want to particularly point out some of those initiatives that are not only important for Australians across our entire nation but particularly important for the wonderful people who live in my electorate of Aston. It is important to put the 2007-08 budget into some context. This budget provides for an underlying cash surplus of just under $11 billion, and it is this government’s 10th surplus budget. Since being elected in
1996, the Howard-Costello government has delivered 10 surplus budgets, an unparalleled record. The point behind this is that a strong budget allows for continuing investment to improve our overall economic prosperity and growth and our options for helping Australians achieve their desired objectives in life.

The Australian economy is enjoying one of its longest growth periods in our history. That has not happened by accident; it has happened as a result of dedicated, proven, diligent and prudent hard work by this government over the last 11 years. That is what has resulted in the economic prosperity that we have been enjoying. It is insightful to reflect that since 1996 two million people have gotten jobs. Real wages are up by 20 per cent. It is important to highlight the fact that real wages are up some 20 per cent since we came to office in March 1996 because Labor’s record is that between March 1983 and March 1996 real wages went backwards. Under our government, real wages increased by 20 per cent; under Labor, they went backwards by almost two per cent. The unemployment rate, as we know, is at a record 30-year low at around 4.4 per cent. If we have a look at what unemployment was when we came to office in March 1996, it was not at 30-year lows; it was at 8.2 per cent. There were 8.2 per cent of Australians unemployed. At that time in my electorate of Aston unemployment was just on six per cent, and—I am proud to say—today it is below four per cent; 3.7 per cent in Aston. In that time, real household wealth has more than doubled.

Let me now turn to some of the initiatives which I think are very important to the good people of Aston. In this budget there are personal income tax cuts. This is a continuation of this government’s commitment to giving back to Australians and rewarding Australians for their hard work. What is important to note about the tax cuts in this year’s budget is that it is the fifth time that this government has reduced personal income tax. The personal income tax cuts in this budget are worth $31.5 billion over four years. This is $31.5 billion above and beyond the almost $37 billion of tax cuts that were announced in last year’s budget. It is because of the continuation of this government’s proven economic management that we are in the position to be able to reward Australians in this way.

From 1 July this year, the 30 per cent threshold will rise from $25,001 to $30,001. From 1 July next year, the 40 per cent threshold will rise from just over $75,000 to just over $80,000, and the 45 per cent threshold will rise from just over $150,000 to $180,000. The tax cuts will increase disposable incomes for all Australian taxpayers. This provides much-needed incentives, especially for lower income earners, to participate in the workforce, which will further enhance our overall international competitiveness. Over 80 per cent of taxpayers will face a top marginal rate of no more than 30 per cent. With these changes, over 80 per cent of all of the taxpayers in Australia will now be paying no more than 30 per cent over the forward estimates periods, with taxpayers needing to earn around $134,000 to pay an average tax rate of 30 per cent by the time we get to 2008-09.

Another important fact is that in 2008-09 the top marginal tax rate will in fact only apply to around two per cent of all taxpayers. That means that these cuts are particularly designed to benefit low- and middle-income earners. It is low- and middle-income earners that receive the highest percentage of tax cuts overall. It is interesting to provide some examples of how this might work. Taxpayers earning $30,000 used to pay tax of $6,222 prior to the new tax system and excluding the Medicare levy that we introduced. From 1 July this year, those taxpayers that used to pay $6,222 in income tax will now be paying $2,850, a reduction of around 54
per cent in tax. I will give another example. Taxpayers on $60,000 used to pay income tax of $18,802 prior to the new tax system that this government implemented. From 1 July this year, instead of paying that $18,802, these taxpayers will now pay around $12,600, which is a reduction of 33 per cent. Taxpayers on $100,000 used to pay $37,602. From July next year, they will be paying $26,660, a reduction of around 29 per cent. Taxpayers on $180,000, instead of paying over $75,000 in tax, from July next year will pay over $58,000 tax, a reduction of around 22 per cent. This shows that this government is all about giving back to the Australian people and particularly looking after the low- and middle-income earners. Those examples I have just given demonstrate how it is that the low- and middle-income earners are the greatest beneficiaries of this government’s income tax cuts in the budget.

Another important area of interest in the budget to the people of Aston is child care. The budget builds on this government’s very longstanding commitment to help families meet their childcare needs. This government introduced the childcare benefit in 2000 and the childcare tax rebate in 2004. We will all remember that in last year’s budget we expanded childcare places. From 1 July this year, the childcare benefit will increase and the timing of the childcare tax rebate will be brought forward.

What does this do? It provides more timely and increased childcare assistance for all Australian families, particularly those in my electorate of Aston. As a result, out-of-pocket childcare costs as a share of disposable income will be reduced for all families. These changes will cost just under $2 billion in child care over the next five years. In 2007-08 the government will spend $3 billion on childcare assistance. It is important to highlight that $3 billion, because that is nearly three times the amount that was spent on child care in 1996-97 when we came to office.

It is important to highlight the areas of childcare benefit. From 1 July 2007, the rates of childcare benefit will increase by 10 per cent on top of annual indexation, which is around 3.3 per cent. A family on the maximum rate of $118.40 a week with one child using 40 hours of care per week in a long day care centre will receive just under $135 per week—an increase of just over $16 a week to help them with their childcare costs. Of course, the childcare tax rebate that I talked about covers 30 per cent of out-of-pocket childcare costs up to a maximum of $4,211. From 1 July, the childcare tax rebate will be able to be claimed through Centrelink shortly after the end of the financial year in which the costs are incurred. This is significantly earlier than the current arrangements.

What is important about that is that, as a result of this change, families who incur out-of-pocket costs in 2005-06 together with this year, 2006-07, will receive two rebates in the next financial year. From 2008-09, the childcare tax rebate will be delivered entirely through Centrelink and not through the tax system. Again, this is a wonderful initiative that is designed in the budget by this government to help Australian families. This is an example of how this budget significantly supports the families of Australia.

Another area that I want to touch on in the budget is education. This budget really has delivered an amazing amount of support to our schools and universities. It is all encompassed in a package called Realising Our Potential, a comprehensive package which invests an additional $3½ billion over four years in higher and vocational education and, importantly, in our schools. It is important to highlight that this $3½ billion—regrettably, those on the other side
of the House like to lead people astray on this matter—is on top of the $5 billion investment in our new Higher Education Endowment Fund.

I want to talk about some elements of education, because education is an important issue for all of us and it is particularly important for those of us who live in Aston. Firstly, the $5 billion Higher Education Endowment Fund broadly doubles the existing financial assets and the endowments that have currently been accumulated by all of our universities across Australia. The interest and the income that are received from the endowment fund will be distributed annually to universities, and they can use this income for capital works improvements and research facilities.

Mr Windsor—Good policy.

Mr PEARCE—It is a wonderful policy—

Mr Windsor—I said ‘good’, not ‘wonderful’.

Mr PEARCE—endorsed by one of my parliamentary colleagues. The government has indicated that it does not plan to cap the endowment fund at $5 billion; it plans to make further capital contributions from further budget surpluses. What is important about that is that there need to be budget surpluses to be able to do that. If you do not have a surplus, you do not have the facility to be able to top up a fund like this, and I do not need to tell you, Mr Deputy Speaker, that the Labor Party operated budget deficits. Instead of topping up a fund like this, the Labor Party’s practice and its track record is to have deficits. It wants to go into these types of funds and take money out. That is the Australian Labor Party’s stated policy on a fund that is similar to this: the Future Fund.

Another important initiative of the education package is in regard to higher education initiatives—$768 million over four years to increase the capacity of universities to respond in a more flexible way to student demands. This is by allowing funding to more closely match student enrolments and by reducing the number of Commonwealth grant schemes funding-clusters from 12 to seven. There is also another $209 million over four years, including new funding of $67 million for the Diversity and Structural Adjustment Fund for universities. This is to allow them to promote greater specialisation, diversity and responsiveness to local labour market needs.

There is funding in the budget for vocational education and training, a critically important area for the people of Aston and for young people; $549 million over four years to first- and second-year apprentices in skills shortage trades for an additional tax-exempt payment of $1,000 as wage top-ups for those under 30 years of age and, regardless of age, a $500 fee voucher to help offset fees. There is money in the budget for student assistance initiatives and, most importantly, money in the budget to assist our schools.

There is $457 million to provide national literacy and numeracy vouchers worth $700 to parents whose children do not meet the national literacy and numeracy benchmarks, and these vouchers will be available for parents of children in years 3, 5 and 7 from 2008, and for those with children in year 9 from 2009. There is $102 million to establish summer schools for teachers to provide additional training and $77 million to improve the practical component of teacher education. So, again, it is a budget that is full of practical measures to help our young people in our schools and to help our teachers in professional development to help our young
people who are wanting to get technical and trade expertise and skills—and of course there is money there to help our important higher education system.

There is also a whole range of budget measures in support of our senior Australians. I do not need to tell you, Mr Deputy Speaker, that senior Australians are wonderful people who have made Australia what it is today. There are tax cuts for senior Australians who qualify for the senior Australians tax offset. There are also one-off tax-free bonuses for all self-funded retirees who are eligible for the seniors concession allowance. As I mentioned, that is a $500 one-off tax-free bonus. This will benefit over 300,000 self-funded retirees. There is also a $500 one-off tax-free bonus to all seniors who receive the utilities allowance as of 8 May 2007. This will benefit over two million seniors.

Importantly, there are also wonderful support initiatives to help carers who look after people that need help. Carer payment recipients will receive a $1,000 bonus payment while those who receive the carer allowance will receive a $600 bonus payment. Again, the budget has wonderful supports for our senior Australians and for those who are caring for people.

In the time I have left I also want to mention one of the wonderful budget initiatives in and around caring for our environment—the solar technology funding. This is where we are doubling the rebate for solar panels on homes. The rebate will increase from the current $4 per watt up to a maximum of $4,000 to $8 per watt up to a maximum of $8,000. This is all about supporting Australians, particularly those who live in Aston, to be able to care for our environment, to be environmentally friendly, and about supporting them in many ways.

This initiative does not stand alone. The government have been providing initiatives in the area of environment and climate change in many budgets. In fact, we have spent more money on direct funding for the environment than any other government in Australia's history. This year we will spend around $2 billion on direct funding for the environment. I think it is interesting to contrast that with the Labor Party in 1995 and 1996, when we came to office, which spent less than $380 million.

In summary, what is this budget about? I think it is true to say that this budget is all about encouraging Australians who work hard. I think it is about investing in education and skills. I think it is, importantly, about supporting our families. I think it is about securing our water and the environment. I think it is, most importantly, about saving for our future. There are initiatives in the budget to build important infrastructure and to support our critically important small business sector and our stronger defence and national security. (Time expired)

Mr WINDSOR (New England) (4.41 pm)—There are a number of issues I would like to raise on the appropriation bills. Firstly, in a tactical sense, I congratulate the government on the surplus budget. I think it is always healthy if you are in surplus rather than in deficit. I will make a few comments later in my speech about some of the other positives of the budget.

There are a number of issues that I think need to be highlighted in this place. I made a speech in the other place only a few moments ago where I highlighted a number of examples where I believe the coalition government is not addressing the issues that a lot of people would like addressed. I think that demonstrates some of the slippage that they have been experiencing in the polls of recent months. I made mention of the member for Macarthur and the member for Lindsay and a number of comments that they have made in recent days. I suggest to the government that it sits down and listens to what those people are talking about.
One of the big issues that is raised in this place from time to time is fuel. I was disappointed that the last speaker, the member for Aston, did not go to the issue of fuel. Fuel pricing is an issue that is affecting people on the ground. It is affecting real people who have budgetary constraints to deal with, real people who are raising families. If you ask anybody in the street, they know the impact that fuel pricing has. It is not reflected through the indexation processes for pensioners, for instance. It is not reflected in a lot of the cost rises to small business and other activities in the economy.

I keep hearing this incessant message from the Prime Minister, and I heard it again today from the Assistant Treasurer, who made the comment again that fuel pricing in Australia is all because of international factors. He may believe that, the Prime Minister may believe that and there may be other people in this parliament who believe that, but people in the street do not believe it. They do not believe it because they know what the facts are: 38c a litre excise tax or fuel tax. Road tax, it used to be called. How much of that goes back on to road and rail and bus shelters et cetera? About 12c a litre. Every cent that is raised in fuel taxation raises about $368 million.

When we see an extension to Roads to Recovery of $307 million, or whatever the number happens to be, out of the last budget, people go weak at the knees in gratitude. But it is not even a cent a litre in terms of the bowser price. We pay 38c a litre in tax. I note some of the community college people coming into the room—people who are very concerned. I am sure if they were to have a vote at the moment they would put fuel prices as a major issue in their daily lives. We pay 38c a litre in fuel excise. As I said, we get about 12c of that back through road, rail, bus stations et cetera. Another 11c approximately, depending on where you are—it is more in the country and less in some of the city areas—is goods and services tax. So for the Assistant Treasurer, and the Prime Minister for that matter, to consistently say that the price of fuel in Australia is all about international factors is a nonsense. And people know that in the community. If the coalition are looking for reasons why they are slipping in the polls, I would suggest that running that sort of farcical message out there is probably one of the underlying reasons. A lot can be done in terms of fuel taxation. As I said at the start, I congratulate the government on developing a surplus budget, but we have a situation where we are raising excess money from fuel taxation from all Australians, from small business, from big business and from regional people, because they do not have the advantage of public transport and other options in the country—and the member for Gilmore, for whom I have a tremendous amount of time, would be fully aware of some of these issues.

It is time that the government really addressed that issue. To achieve that sort of taxation level—and I think it is running to nearly $14 billion a year—to give something like $3 billion or $3½ billion back to the road and rail system, to come out with all these bonus payments for people, $500 here and $500 there, and then to argue that to create a productive economy you have to be prudent in terms of cost outlays et cetera makes a mockery of the debate. When you are taking that amount of money from fuel taxation, returning a small proportion of it and then lauding the fact that there is a surplus budget, I think there are some contradictions that need to be addressed.

There are some other issues that I will address, too. There is the issue of homeownership and the price of housing at the moment. Even in communities such as Tamworth and Armidale the price of homes has escalated, though nothing like the extent to which it is happening...
in Sydney, for instance. We have had discussions in the parliament in recent days and there are allocations in the budget in relation to drought funding—the money for rural counsellors et cetera—and that is all very welcome, for I think the drought has been running for about five years now. But we hear constant noise that there is a massive amount of money allocated to the farm sector through drought funding, the exceptional circumstances assistance et cetera. When you actually break that down over a period of time, you get a different picture.

There was some conflict in the parliament yesterday as to whether $1 billion or $1½ billion had been spent and then the minister said, ‘Well, say $2 billion,’ and then someone else said $3 billion. But the reality is that it is probably about $1½ billion. Most of it has been spent, essentially, on Work for the Dole payments—social security payments. Somewhere between $350 million and $500 million has been expended on interest rate assistance through the exceptional circumstances arrangements. So when the government says there has been a massive amount of money poured out to the farming community over five years, we need to understand what that entails. Anybody who is unemployed or not collecting an income—such as farmers in this particular time of drought—is entitled to some household support, and to bracket that together with the interest rate assistance and exceptional circumstances arrangements is, in my view, not telling the truth in terms of the total expenditures. If we assume for the moment that about $500 million has been spent on interest rate subsidies to the farming industry over the last five years, that comes out at about $100 million a year.

What are other communities doing? Take the building industry, for instance, and the GST. When the goods and services tax came in, I think, in 2000 or 2001—it has been in existence a little bit longer than the drought—the First Home Owners Scheme was put together at the time to address the explosion that the building industry said they would have to deal with of a 10 per cent increase in the price of housing and the impact that would have on the cost of housing and employment levels et cetera. The government, coming into an election period, decided that that was potentially a political problem and put in place the First Home Owners Scheme, allegedly to encourage young people to buy their own homes. In fact, it has escalated the price of housing and in some cases, particularly in the cities, has put people into a debt situation that they can ill afford.

If you look at that subsidy to the building industry—which is essentially what it is—in that period of time it has totalled $6.2 billion, or a bit more now. Drought subsidy to the farming industry—a massive contributor in terms of export income—has been about $1.5 billion. If you take away the household support, which is unemployment benefits, it is back to about half-a-billion dollars. So when people say—and the Treasurer says this—’If you cannot compete in the world, you should get out,’ there is industry support going on under this government as much as under any other government. I am not suggesting there should not be, but this argument in which the farm sector is occasionally singled out to be some sort of poverty trap where there is an endless supply of money going in is in my view not the truth.

There are some other issues that I would like to raise. In terms of housing and the problems that young people are having, it is a tragedy in this large nation that we now have young people who are paying $3,000 a month to afford their first home. I cannot believe it. I know the state government has some problems there in terms of some of the cost issues as well. But one of the other issues is that neither the state government nor the Commonwealth government have any effective regional development policy. We have an economy that is based on big
cities and we have a house price economy that is based on continued pressure on those big cities. We do not have a regional development policy under which, if you were paying $500,000 for a $150,000 home in a city, you could go somewhere else.

The government policy message that we are giving is wrong. And I know why it is based that way: the western suburbs of Sydney, Melbourne and Brisbane are where elections are determined. I can understand the logic of that, but I continually hear rhetoric in this place about us doing everything we can in terms of regional development. What we have is what I call a ‘feedlot economy’ in which the most cost-effective way to house the largest number of people in a nation is to put them in a ‘feedlot’. If that feedlot is a high-rise in which you can use gravity to some advantage, it is a more productive housing arrangement than having people on small blocks. I do not agree with that, but that is what the policy message is: the most effective way to house as many people as possible is to put them in a ‘feedlot’. I think that is a disgraceful policy message to be sending in a country of this size with all the advantages that many of our rural towns have.

Telecommunications is always an issue, and it is mentioned in the budget papers in a number of areas. One of the problems at present is a great concern about the change over from CDMA to the Next G network. I raised that issue with the Prime Minister yesterday in question time—and you might be aware of this, Deputy Speaker Somlyay, because I know you pay a lot of attention in the parliament—and asked him about what he believes equivalence of service to be. I asked him that not only in relation to equity of access to services for country people but also—and this phrase has been used by the minister and the Australian Communications and Media Authority—about when you switch one off and turn the other one on. The arrangements that are currently in place are that the CDMA system will not be turned off until there is equivalence of service. I know that the member for Riverina is also very concerned about the equivalence of service issue.

As I understand it, there is going to be a truck running around Australia—and, according to the Senate estimates papers the other day, that truck will not bother to go to the western half of Australia; it is going to run around the eastern half of Australia—to assess the CDMA network randomly. So not every site will be assessed. Later on in the year, that same truck, which apparently will be running around on secret roads, will go around the same area and test the Next G reception and make reference back to the minister and the government as to whether there is some form of equivalence of service.

There are a lot of bullet holes in that. I refer members, particularly country members, to the Senate estimates Hansard, because there are some very important points being made there that could impact particularly on country consumers. I have one of these Next G phones at the moment, and I cry at night for my old CDMA phone. I will not do a live radio interview on this phone, irrespective of where I am, because it just falls out. Even in this building there are bad spots in the Next G network. I believe that some people in the government—and I congratulate them—are questioning the advertisements that Telstra are running that Next G is everywhere you want it. I know where I would like to put it occasionally! It is not everywhere you want it, and that, in my view, is misleading advertising, at the least.

I call upon the Prime Minister again to look very closely at this issue, because there is political damage in it if he does not. I would rather see our consumers get equity of access. If you remember back to the sale of Telstra, equity of access to broadband and phone services
was paramount. I remember the leader of the National Farmers Federation supposedly had a
document which was a guarantee from the government or the minister that there would be
equality of access to broadband and basic phone services for country people. No-one has ever
sighted that document, but that document was the basis of Senator Joyce’s changing his vote
in the Senate. That document has not been sighted, but I think the government has an obliga-
tion to make sure of this issue. The future-proofing arrangements are supposedly in place and
a massive amount of money was supposedly being allocated to future-proofing telecommuni-
cations, and the government has an obligation to make sure. This is the first test, because Next
G was not around when the sale took place. This is the new technology, and the government
gave a guarantee that country people would not be disadvantaged by new technology and that
new technology would be future-proofed.

I have an absurd situation in my electorate, in a little place called Yetman on the Queen-
sland border, where a lot of professional people have come back to the area wanting to run
international and national businesses using broadband services. Telstra Country Wide said to
them—and I went to the meeting: ‘If you are prepared to find a block of land, build a road,
put the tower up and maintain all of those things, we might look at putting an aerial on top of
that tower so that you have basic mobile phone service.’ That is atrocious. They have this
formula which says that if you cannot return the capital outlay within three years you are non-
viable.

That is not what the government said on sale day. Someone has to stand up on this issue;
otherwise we are going to have a two-class system. Telecommunications in this century are
the road and rail network. Telecommunications infrastructure is what negates distances being
a disadvantage of living in the country. Telecommunications can turn this concentration of
city dwelling back on itself so that it is more cost-effective, more productive, to live in the
country than in the city. So this government has to start to address a number of policy initia-
tives. You cannot keep sending these pro city messages. You are sending people into the city
supposedly to find jobs, when you have all these other advantages sitting out there. The tele-
communication arrangements are a classic case where the message is not being delivered.

If we based our society on viability of basic services, Bourke would never have seen an
electricity pole. Some people would suggest: who cares? Well, I care. We are talking about
infrastructure almost daily in this place, and there is a role for government to be much more
positive about those sorts of infrastructure needs, not only about road and rail. There are about
15 other items that I wanted to speak about, Mr Deputy Speaker—water policy, coal and the
various AusLink arrangements—but, seeing that time has expired, I will have to bore you an-
other day.

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism
and Resources) (5.01 pm)—Today I rise to speak on the Appropriation Bill (No. 1) 2007-2008
and related bills for the 2007-08 budget, a budget which has a surplus of $10.6 billion. I am
proud to be part of a government which has delivered its 10th budget surplus and has cut tax
for the fifth consecutive year. All Australian families will benefit from the $31.5 billion in tax
cuts. I have to emphasise the point of one of the key aspects in the 2007-08 budget which af-
facts my electorate, and that is the issue of road funding. The additional $73 million funded to
continue stages 2 and 3 of the Karuah to Bulahdelah upgrade will be welcome not only to lo-
cal residents but also to thousands of holiday-makers and transport drivers who use this
stretch of road each year. The total cost of the 23-kilometre upgrade will be $262 million and will be completed by mid-2009.

The Howard government will also contribute $5.4 million in 2007-08 for preliminary work towards the 8.6 kilometre Bulahdelah bypass. When the bypass is complete, Bulahdelah will have a flyover to the north and a flyover to the south. This will be the missing link between Hexham and Port Macquarie once the Karuah to Bulahdelah and the Coopernook to Herons Creek upgrades are opened in 2009.

There are just over 1,000 people of driving age living in Bulahdelah, and the town is set to receive two bypasses, yet, just down the road in the Tea Gardens-Hawks Nest area, there are nearly 2½ thousand people over the age of 18—of driving age. When you add North Arm Cove there are another 327 who are over 18. The state government has again refused to fund the cost of a flyover on the Myall Way intersection on the Pacific Highway, which would benefit the people of the Tea Gardens area and motorists using the Pacific Highway.

The Howard government has not forgotten these people. In fact, when the Prime Minister came to my electorate last month, he promised $10 million towards the flyover for Tea Gardens and it was confirmed in the federal budget. Yet the flyover cannot go ahead without the contribution of funding or prioritisation from the state government of New South Wales. The New South Wales Minister for Roads, Mr Eric Roozendaal, has refused to acknowledge this flyover as a priority; in fact, he opposes it. In state parliament on Thursday, 10 May 2007, Mr Roozendaal told state parliament that he believes that ‘other more important parts of the Pacific Highway need upgrading’.

The New South Wales Labor government has again let down the people of the Hunter with the Weakley’s Drive project. Many people from my electorate use this section of road. Weakley’s Drive has become a pivotal point in the AusLink national land transport network. The project involves an overpass to take the New England Highway over Weakley’s Drive as well as a new link road connecting the interchange to Glenwood Drive between Thornton and Beresfield. Together with the link road, the new interchange will eliminate three intersections on the New England Highway controlled by traffic signals.

Two years ago, the federal government gave $3 million out of $25 million in project funding for Weakley’s Drive. At the time the member for Hunter complained that was not enough. You can imagine his embarrassment when it was discovered that it was all the RTA had actually asked for. Last year the RTA only asked for $10 million, so of course that was not enough for the project to be completed. In fact, the RTA failed to conduct appropriate planning for this flyover to be built at the end of the F3 freeway where it connects to the New England Highway. So we, the federal government, have had to come to the rescue of the state Labor government and the RTA, and we have agreed to fund the entire $51.8 million for this interchange. The federal government has had to pick up the financial mess of the state Labor government. The cost has blown out from $12 million to $52 million. Interestingly, the contract that has been let to the works only amounts to $30 million, so $22 million has been pocketed by the state government in planning and contingency sums.

I am proud to announce that I have secured over $2 million from the federal budget through the AusLink strategic regional program for roads in my electorate. The Australian government is spending an additional $250 million in 2006-07 on this program. The Gloucester Shire Council will benefit from this funding. Over $500,000 will be spent on the Bucketts
Way for a bridge replacement at Broad Gully, $850,000 will be spent on the Bucketts Way for road rehabilitation at Deep Creek and $640,000 will also be spent on the Bucketts Way for road rehabilitation at Krambach. The Australian government is funding the entire cost of each of these projects on the Bucketts Way. But enough is enough. I now call on the New South Wales state Labor government to put some money on the table for the Bucketts Way. The Iemma government is too busy focusing on spending billions of dollars in Sydney on tollways and tunnels, and is spending nothing on the Bucketts Way or other local regional roads.

The reality is that people are dying on the roads in the bush, and we need to do something about it. Last year, a man and two women were seriously injured in a two-car collision at Gloucester. The 19-year-old man was a passenger in a Nissan sedan travelling west on the Bucketts Way at Belbora which collided with another car on Sunday, 23 July. As the local federal member, I will continue to fight for funding for the Bucketts Way. We have come a long way over the last four years, but I will not stop until we see passing lanes introduced on this road—passing lanes that will save lives. After many discussions with the local mayor, Barry Ryan, I know that this road will continue to be dangerous until these passing lanes are created. Last year in the federal budget the council received $350,000 in additional Roads to Recovery funding and, on 17 May last year, Mayor Barry Ryan told the Gloucester Advocate:

It’s a fairy godmother’s wish, Santa Claus’s present and the tooth fairy too.

He noted on our program:

Roads to Recovery has to be the best lot of financial assistance given to local government in all my years on council.

The federal Labor Party would never have come up with the Roads to Recovery program like this government has. In fact, I take the opportunity to remind the House that it was the federal Labor government that abolished the black spot road funding.

The government will also invest an extra $300 million in the AusLink strategic regional program under AusLink 2, which means councils will be able to submit new applications. In the Paterson electorate, this means that the Port Stephens, Dungog, Great Lakes, Gloucester and Maitland councils will have the security of knowing funding will continue. They can be assured that they can plan for roads and have a guaranteed income stream. The money for roads just keeps on flowing. The Roads to Recovery program was scheduled to finish in June 2009. The Australian government will now extend the program until June 2014. Funding will also be increased from $307.5 million a year to $350 million a year from 2009-10. This is road funding put into local roads that should be primarily the responsibility of the New South Wales government. We are doing the right thing putting money into these roads, expecting the state government to match it at least fifty-fifty.

There are other initiatives announced in the budget which will benefit my electorate. I welcome the Australian government’s initiative to give all first- and second-year apprentices under 30 a tax-free $1,000 wage top-up to boost their apprenticeship wages in trades facing skill shortages. Apprentices will also receive up to $500 each year, without an age restriction, towards their TAFE or other training fees. I understand that the first and second year of apprenticeships can be particularly tough for those entering the workforce for the first time. Up to 2,600 apprentices in Paterson may benefit from this wage top-up. Increasing the take home pay of apprentices means that young men and women will be better placed to pursue their career in a trade. These measures, which commence on 1 July 2007, are part of initiatives to
further tackle Australia’s skill shortages and will increase the government’s commitment to
skills training to $2.9 billion a year.

I am also pleased to see funding for RAAF Base Williamtown in the federal budget. There
is $13.7 million allocated for construction of ordnance loading aprons. This project has pro-
vided a range of new and redeveloped facilities and infrastructure necessary to upgrade the
base and necessary for the introduction into services of the airborne early warning and control
capability at RAAF Base Williamtown. The remaining project element, construction of an
ordnance loading complex, will commence in mid 2007, with completion anticipated by mid
2008. Overall, Defence facilities will benefit from an injection totalling some $916.9 million
in 2007-08.

Defence families form an integral part of the Paterson community, which has a strong De-
fence presence centred on RAAF Base Williamtown. The current military population of the
electorate includes over 3,000 ADF members, Defence civilians and ADF cadets. As part of
an ongoing commitment to supporting and valuing our Australian Defence Force personnel
and their families, the following improvements will be introduced: a modern and more flexi-
ble pay structure for other ranks; new home loans assistance packages, with higher subsidies
and greater choice, to encourage homeownership and provide for higher benefits as members
serve for longer periods; the creation of a transition and career advice function within Defence
Force Recruiting to assist those who might be considering alternative careers; investment in
professional development of Defence medical officers; better marketing to showcase Navy,
Army and Air Force as employers of choice; and the introduction of new Defence apprentice-
ship schemes to assist 16- to 17-year-olds commence an apprenticeship and then join the
ADF. It has been a privilege to serve the people of RAAF Base Williamtown as their local
member on and off for the past 11 years. These are people for whom I hold the highest es-
teeem. These are the people who go overseas to defend not only the freedoms of this nation but
the democracies of others.

Our strong economy means that we as a government are able to provide additional meas-
ures in the budget to support our war veterans, and I welcome these. They include increasing
payments to veterans with a disability on the special rate pension by $50 a fortnight and in-
creasing payments to those on the intermediate rate pension by $25 a fortnight, and increasing
access to support services for eligible veterans when they leave hospital. After referral from a
GP, community pharmacies will provide veterans with written medication management plans
and additional medication management strategies. The measures also include doubling the
funeral benefit paid under the Veterans’ Entitlement Act 1986 from $1,000 to $2,000 and an
extra three months for war widows and widowers to claim war widow/widowers pensions.

In Paterson, around 4,119 people from my electorate will benefit from this government’s
superannuation co-contribution scheme. Low- and middle-income earners in Paterson will
receive up to $3,000 from the Howard government as a superannuation co-contribution for
personal contributions of up to $1,000 made in the 2005-06 financial year. Under the superan-
nuation co-contribution scheme, the government contributes $1.50 for every $1 of after tax
superannuation contributions made by employees earning up to $28,000, up to a maximum
co-contribution of $1,500 per year. To reward people for preparing for their own future, the
Treasurer announced as a part of the 2007-08 federal budget that the government will pay an
additional one-off sum to double the contribution in respect of the 2005-06 year. This means
an eligible person who contributed $1,000 during the 2005-06 year will receive a co-contribution of up to $3,000 from the federal government for that year. That will be paid before 30 June this year. This is practical help for low- and middle-income earners in Paterson by directly boosting their retirement savings.

Around 25,000 people in my electorate will also benefit from contributions made to older Australians in this budget. These include no tax on incomes up to $25,867 for singles or up to $43,360 for couples for those eligible for the senior Australian tax offset and a one-off $500 bonus to seniors concession card holders or those receiving the utilities allowances. Both eligible members of a couple will receive this bonus. There will be a one-off $1,000 bonus to those receiving the carers payment and a one-off $600 bonus for those receiving the carers allowance to recognise their dedication in helping those who suffer from a disability. There will also be better access to hearing services for 350,000 hearing impaired Australians through a $70.7 million investment and additional community care packages to assist older Australians who want to continue living at home, as well as more community based respite care.

There will also be better access to hearing services for 350,000 hearing impaired Australians through a $70.7 million investment and additional community care packages to assist older Australians who want to continue living at home, as well as more community based respite care. There is also a $377.6 million package to increase access to dental health services for over 200,000 patients. This will provide help for those with a chronic medical condition. A Medicare benefit of up to $2,125 per year will be made available for their dental treatment in the private sector when they are referred by a doctor.

Finally, I wish to talk about the volunteers in our community. The Volunteer Small Equipment Grants program is one of the most popular programs under the government’s Stronger Families and Community Strategy. In the last round my electorate received a large chunk of the funding available. Grants were provided, for example, for gardening, land care tools, equipment for Forster Keys Progress and Ratepayers Association; kitchen utensils, equipment, microwaves and urns for Pacific Palms Surf Life Saving Club; computer and overhead projectors for the Great Lakes Environment Association; new audio equipment for Great Lakes FM; computer software for the Great Lakes Arts Society; a new PA system for Nelson Bay Town Management; computers for Medowie Public School; ride-on mowers for Nelson Bay Junior Cricket Club; cameras for Port Stephens Historical Society; air conditioners for Irrawang Public School; chairs for Medowie Rural Fire Brigade; computers for Karuah Progress Association; new cupboards for the Myall Coast Historical Society; laptop computers for Tea Gardens RSL sub-branch; barbecues, digital cameras and accessories for the North Arm Cove rural fire services. These volunteers in my community deserve recognition.

The $66 million boost announced in the federal budget takes to $81.1 million the total funding available under Volunteer Small Equipment Grants over this and the next four years, and demonstrates a commitment by the Howard government to the volunteer organisations across Australia. I say, with reference to a speech I gave this morning, that there is no bias—we do not exclude seats that are held by Labor members, as Premier Iemma did to those with volunteer certificates who happened to come from non-Labor held seats in New South Wales.

All of the funding to my electorate in the federal budget will no doubt benefit a region which is thriving. Tourism levels have been boosted. Last year there were 3,113,000 overnight domestic trips to the north coast region, which encompassed Port Stephens, which is up 3.4 per cent compared with the previous year. Visitors are spending more. Last year domestic visitors’ expenditure in the north coast region increased almost 15 per cent to $1.497 million. There was also an increase in day trips to the north coast area last year—3,426,000 day trips.
were made to the region, an increase of 15.4 per cent since 2005. Again, visitors are spending more, with an increase in expenditure of 17.2 per cent to $354 million in 2006. There are more international visitors visiting our region, an increase of some 8.4 per cent last year to 154,000 people.

But of course Port Stephens is host to some very special visitors each year, and those special visitors are the whales. Right now the first humpback whale sightings are occurring around Port Stephens in places such as Tomaree, Fisherman’s Bay and Stockton beach. According to a report by the International Fund for Animal Welfare, Port Stephens is one of the world’s premier whale spotting locations. An advantage for Port Stephens is the extensive range of vessels that conduct whale watching cruises and the close proximity of the whales to the foreshore, as we are one of the most easterly point in New South Wales. The whales and dolphins attract thousands of visitors to Port Stephens each year, and of course that brings millions of dollars in tourism revenue each year. Local tourism operators in Port Stephens like Moonshadow Cruises, Imagine and MV Spirit are thriving from the boost in tourist numbers. These local charter boats take groups of people out into the blue waters for a close encounter with the whales. This year I am honoured to have been asked to officially launch the start of the whale watching season which will take place this Friday on the Nelson Bay foreshore. It is a major drawcard for tourism in my region. I have every bit of confidence that the increase in visitor numbers is because of the good work of this federal government.

The Howard government is supporting growth in regional Australia. The federal budget has just committed an additional $34.9 million over four years to extend and enhance the Australian Tourism Development Program. In my electorate this government is building better roads, promoting better education and training, recognising volunteers, rewarding Defence Force personnel and paying tribute to war veterans, encouraging superannuation schemes and encouraging apprentices. This federal budget has delivered tax cuts to families and is taking steps to providing better medical services. We have done this. We can do this because we made the tough decisions very early in the piece. We started making the tough decisions 11 years ago when we were left with a $96 billion deficit, high unemployment, high interest rates. With the progress of the last 11 years we have been able to achieve benefits for all Australians. We are able to make these contributions back to the taxpayers of Australia because we have done the hard yards and now we can lock in the benefits. Once again, I am proud to be a part of this government and I look forward to seeing further funding for my electorate so I can watch my electorate grow and prosper into the one that everybody wants to move into.

Mr GEORGANAS (Hindmarsh) (5.20 pm)—I too rise to speak on the Appropriation Bill (No. 1) 2007-2008 and cognate bills. I would like to commence by reflecting somewhat broadly on this government and this government’s actions, its policies and practices, its convictions and its sometimes frightening extremism, which are, to varying extents, evident in the bills before us, just as they have been evident throughout the last decade.

This government is happy to be remembered for what it has been seen to do and thereby what it is known to be. We have seen the Howard government actively support industrial warfare, complete with attack dogs and balaclavas, on the waterfront in 1998; maliciously demonise drowning refugees escaping a sinking ship as inhumane blackmailers and terrorists; and oversee a scandal of $300 million that went to a dictator’s war chest just months before our troops were sent into battle. It has taken our nation to war but left its justification for
that—to be selected from multiple options as needed—until after the fact. We are still waiting for those weapons of mass destruction to be found. I have yet to hear if any have been found.

We have also seen this government deprive Australians of our rights—physically deporting Australian citizens, throwing out of this country people who, like you and me, were citizens and had every right to be here. Not that long ago, 200-odd people were detained unlawfully, and 26 of those people were Australian citizens. We have heard nothing on this because hush money was offered—an out-of-court settlement—and it has not become a big scandal. But they are the facts. The other big issue is the Work Choices regime, which has made this nation the only one in the world to legislate against citizens’ internationally recognised rights to collectively bargain and associate freely. That is a human right, one of the internationally recognised rights all around the world.

This is a repressive government. It represses the rights of ordinary working Australians. It did it in 1998, just as it is doing it now. It is repressing their rights just as it has repressed the proper function of democratic expression of views and debate within this parliament. We saw the gagging of debate only this morning. With the government’s gagging of debate in the parliament on selling Telstra, the mandateless and extreme Work Choices, or any of the many other bills on which debate has been guillotined over the last three years since it assumed total power through its majority in the Senate, no-one can say that this government has stood up for the democratic principles to which governments usually aspire—quite the contrary.

Just as the Howard government is uninterested in notions of democratic government within this place, it is contemptuous of by far the majority of the Australian public. Just look at its current advertising binge and the justification for it. Is that value for taxpayers’ money? I do not think so, and no-one would agree that it is. The government has shovelled over $10 million into the slot machine called political desperation, and it will waste twice that before the year is out. Today at question time we saw that there will be another advertising blitz to try and convince all Australians how great nuclear power stations are going to be in our suburbs.

Then the government wonder why people are questioning their future regarding running the country. They are questioning what is happening out there, what people think. They honestly do not have a clue. In the past, of course, they have gotten out of political trouble each and every time. That is quite an achievement, considering. After saying no Australian worker would be worse off under the Howard government, they sent in the Rottweilers and the balaclavas in 1998. After they said there would ‘never, ever’ be a GST, we have definitely copped the GST. There was the ‘no university degree over $100,000’ pledge. The government ignored David Hicks for years and years and then brought him home only when the polls demanded it. They expressed outrage at Labor’s proposal of a broadband rollout with the use of the Future Fund, but now they want to bleed its proceeds for university building maintenance.

The government has been fraudulently talking up this year’s budget initiative on an issue that is very close to my heart: dental care. On inspection it is clear that that initiative will do nothing to relieve the pain and suffering of 650,000 Australians waiting for dental care today. The average waiting list is three to four years and most of those people waiting are elderly and frail and they deserve the care they need. In one of its first acts in 1996 this government abolished the Commonwealth dental scheme. We saw some window-dressing about people with chronic illnesses with dental problems that might have an impact on that chronic illness. That will do nothing for an 80-year-old who is waiting for dentures but does not have a
chronic illness. They will still be waiting next year and the year after. Or most probably they will pass away before they get to the top of the list. These people, as I have said many times, have worked all their lives. They have paid their taxes and they deserve better in their twilight years. That is what a government’s job is: to ensure that we look after those people that have built the foundation of this nation. But, instead of giving them some relief in those twilight years, we are making life harder for them.

Again, I go back to the half-completed Work Choices regime. Perhaps it is not extreme enough for this government. So what will happen if they form government again? Will we see stage 2? That will come, believe me. Then there is their global warming scepticism, carbon trading white-anting, and decreasing the proportion of renewable energy generation. But now they are on board as self-described realists. The community reaction has been correct in saying, ‘Not good enough and we do not believe you.’ For whatever selection of reasons, the community has substantially lost the ability to take anything this government says seriously. When the Prime Minister announced his notional or partial retreat from his extreme Work Choices agenda, he wanted the community to believe that it was only the people’s impression of Work Choices that he was addressing. He stated that Work Choices was fine and that people in the marginal electorates around the country were wrong in finding it frightening. It was those big, bad, nasty unions that were frightening them. The Australian public was right, and they are right in finding Work Choices frightening.

This government alleviates people’s fears by discounting their concern and then assuring them that their fears are without foundation. But then it flags a Clayton’s legislative retreat, as we saw on Work Choices, matching unfounded fear with ineffective symbolism. The PM says it is only in the people’s minds, but then proposes legislation to notionally fix a problem he says he knows does not exist, as we saw with Work Choices. With this government, it is only the impression that counts. Facts only get in the way of ideological zeal, so it is better not to know, not even to ask.

When it comes to the cost of not decreasing carbon emissions within Australia, they do not want to know, they do not ask the question. They appear more than happy that our emissions are set to soar by 27 per cent by 2020. They refuse to consider the cost of action within the context that is relative to the cost of inaction. This makes all of their projections of economic fire and brimstone baseless and meaningless, because we all know the cost to the economy of inaction on climate change will be far worse than action.

The Howard government heap contempt on Labor’s concern with global warming and our concern for our nation, our rivers and farms, our fisheries and tourist attractions. The government are not concerned. They say that reducing greenhouse gases will destroy the country, but they do not for a moment consider the destruction of our agricultural industry, for instance, in a future with very different rainfall and weather patterns. When it comes to their back-of-the-envelope plan on the survival of the Murray-Darling Basin, they do not even ask Treasury for an assessment, guidance or an opinion. They promise a certain amount of money over a decade and then think people will consider them great leaders and visionaries, and a hardworking productive government. But they do not bother with the detail because it is only the impression, the smoke and mirrors, that counts with this government. They are not concerned with value-adding on any plan because they are satisfied with only making the statement that they
have a plan followed by a number with a lot of zeroes after it. And the zeroes are meaningless, of course, as the money is not spent.

The government said that the Living Murray Initiative tender had $200 million for purchasing water from on-farm efficiency savings, delivering 200 gigalitres, but they have spent only $765,000—around one-third of one per cent—delivering about one-fifth of one per cent of the desired water. It is time and opportunity wasted but they are happy that it sounded good at the time. On the $10 billion promise to the national water irrigation plan, less than half of one per cent of that $10 billion will be spent in the next financial year. After three years, the government will have spent only 11 per cent of the funds allocated. With the way things are looking, they may never even get that far. They soon may not even have a plan to talk about. So we will be left with this government on our hands—a government that do not believe the reality of scientific global warming and who are only marginally implementing the National Water Initiative. We will be left with a deteriorating agricultural sector, even worse export performances, impoverished regional communities and worsening weather and water flows for decades to come.

Maybe the government should ask those who were put on AWAs in the first month of the regime—those who, almost to a person, lost at least one protected award condition—about their concerns—or the 64 per cent who lost leave loadings, the 63 per cent who lost penalty rates, the 52 per cent who lost shiftwork loadings or the 16 per cent who lost every single award condition. Perhaps these people could inform the government that their concerns are real. They are not illusionary. But the Prime Minister’s mind-reading trick no longer entertains and no longer brings home or saves his bacon. The figures were a mistake by the government. The figures are not inaccurate, but the very idea of having any figure on the negative impact of Work Choices on Australian families is clearly against this government’s policy. This government’s policy is not to know and certainly not to ask, so they stopped collecting evidence of Work Choices ripping away award conditions—problem solved. Without recent evidence, public concern can be written off as a union-invoked illusion.

Paying Saddam Hussein $300-plus million right before sending in our troops is, again, the same illusion, the same reasoning. ‘We didn’t know,’ the government say, ‘It’s got nothing to do with us.’ Another example is the torture at Abu Ghraib prison. The government say, ‘We’ve heard nothing; we see nothing; we know nothing,’ even with Colonel Mike Kelly of the Australian Army sending back reports.

With such attention to detail, such regard for the facts and such effort on implementation, it is little wonder that we have come to the point where we are ranked 20th out of the OECD countries for our investment in public infrastructure as a proportion of GDP and our exports have fallen to an all-time low as a share of GDP. We are ranked 18th within the OECD on overall education investment and, since 1995, public investment in tertiary education has gone backwards by seven per cent, while other OECD countries have, on average, increased their funding by 48 per cent. Australian productivity growth averaging 3.2 per cent in the mid-1990s fell to 2.2 per cent at the turn of the decade. It is forecast by the government to be just 1.5 per cent for the current decade but is now expected to come in at a whopping big zero in 2006-07. We are ranked 25th within the OECD for prime age male participation in our workforce and 23rd for the participation of women of child-bearing age. Bringing all this home, Australian families are paying a record proportion of their disposable incomes on
mortgage interest repayments—53 per cent more than when interest rates peaked in September 1989—and this government says that the Australian public relies on them for future prosperity!

They also say that the next federal Labor government will do this and that, threatening more fire and brimstone. We do not know, however, that another term in office with the likes of Mr Howard, Mr Abbott and Mr Costello, irrespective of which of these will be leader, will clearly result in over one million Australians awaiting dental care, with rotting gums, broken teeth and painful dentures; Australian troops remaining in Iraq for another half a decade, with no solutions; a great number of kids never developing a long-term, skilled career; and decreasing living standards amongst an increasing number and proportion of low- to middle-income families. Even further, we will see the relegation of the Australian dream of home-ownership for the next generation to the realm of fantasy. Of course, there will be a nuclear industry with a nuclear power station in every neighbourhood.

One thing I want to focus on is the budget’s attention to the developing situation of global warming or, more specifically, the Prime Minister’s peculiar view of the benefits of setting targets in relation to greenhouse gas emission reductions. The government seem very happy to use numbers and projections regarding many areas of national activity, be it Australian technical colleges, numbers of skilled people entering Australia per year or the hardware and capacity of our defence forces. While the Prime Minister and the government are happy to entertain projections of the number of nuclear reactors they have already concluded they intend to see operating around the country—and this was well before they even considered investigating the prospect of a national carbon trading scheme that will be essential to making nuclear power generation even notionally cost-effective—they refuse to consider targets for greenhouse gas emissions. They also refuse to consider raising the mandatory renewable energy target above its token level set for the next 13 years. They refuse to consider an Australian future that has any real share of energy generation produced by sources other than those of coal fired power stations and nuclear power.

The Prime Minister says that it would be economically irresponsible to set any target in relation to greenhouse gas emissions. But is it irresponsible for the thousands of jobs which rely on the health and attractiveness of the Great Barrier Reef, the tens of thousands of jobs which rely on our fishing industry, and the hundreds of thousands of jobs that rely on the productive capacity of our agricultural lands? The Prime Minister says that to have a target in relation to greenhouse gases is economically irresponsible. I say not to have a target is economically irresponsible. The truth of the matter is that the Prime Minister does have a target in relation to greenhouse gases. Mr Howard’s target regarding greenhouse gases is that of current projections: a 27 per cent increase in greenhouse gas emissions by 2020. He professes that this target—a target based on no action, no responsibility and no concern whatsoever for the hundreds of thousands of jobs at risk from climate change and changing weather patterns—is the only target that can be considered economically responsible.

This government is hoping to hoodwink the Australian public, posing as an administration that shares the community’s concerns regarding global warming and dangerous climate change but refusing to establish any position on the desirability or otherwise of any concentration of carbon dioxide equivalent gases in our atmosphere, refusing to establish a position that
will invoke responsibility for action against the scourge they simply refuse to acknowledge as reality.

Their reluctance to become positively involved in the global response to climate change—and we cannot include here their prior presence on international panels—betrays this government as belonging well and truly to a different age. They are out of date, out of relevance and out of time. The Prime Minister and his government have developed a mantra that they are continually using in defence of their obsession with coal and nuclear power generation, and that is ‘renewable energy sources cannot be used for base load power’. He even says that it is based on broad scientific consensus. Mr Howard said in this place on 28 February this year:

... there are really only two workable sources of energy for power stations for baseload power in this country: one of them is fossil fuels; the other is nuclear power. That is a fact. It is scientific knowledge; it is unarguable scientific knowledge.

While this government and their most vocal supporters ridicule science offered up regarding global warming, and go so far as to discount the considered and highly conservative opinions of thousands of scientists from around the world in saying that climate change is the biggest con in recent history, they seem almost desperate to defer to scientific opinion that they say discredits renewable energy as able to offer only a marginal contribution to our power needs at best.

The Prime Minister does, I would hope, acknowledge that total power generation is likely to be a mix of power sources, including hydro—as it has for many years; wind—as it currently is, increasingly; and solar—again increasingly. Toward the baseload debate, I would like to add perspectives offered by Australian scientists and columnists who address the myths that underlie Mr Howard’s refusal to consider renewable energy as a valuable and potentially highly significant proportion of our total future energy mix. The selection of myths include:

1. since wind power is an intermittent source, it cannot replace coal fired power unless it has expensive dedicated long-term storage;
2. because of wind power’s intermittency it has no value in meeting peak demands; and
3. to maintain a steady state of voltage and frequency requires much additional expense.

Some 25 years ago, CSIRO and ANU scientists used Monte Carlo computer simulations, numerical models and mathematical models of electricity grids containing various amounts of wind power capacity. Their conclusions have been subsequently confirmed and built upon by several overseas authors. They concluded that any given quantity of wind power generating capacity can be factored into baseload power capacity, whether it be one per cent, 10 per cent or 70 per cent—as is currently happening in Western Australia and other places around the world. Coal fired power stations, wind turbines or hydro systems are not all running at all times. The Australian national electricity grid network mandate—(Time expired)

Dr STONE (Murray—Minister for Workforce Participation) (5.40 pm)—In speaking to Appropriation Bill (No. 1) 2007-2008 and the related bills, I would like to begin with a quote from Treasurer Costello’s 1996 budget night speech which described the challenges that Labor left us. The Treasurer said:

Our predecessors had Australia on a path of deficit and debt to the next century.

Our Government could not stand back and ignore the problem. Although we did not create it, we will take the responsibility to fix it.

MAIN COMMITTEE
The problem that was left by Labor was successive huge government deficits, an unemployment rate at eight per cent, almost three-quarters of a million Australians out of work, over 800,000 working aged Australians dependent on debilitating welfare and a 10.5 per cent interest rate in March 1996. That was the interest rate we inherited, but not all that long before it had been running nearer 20 per cent, and many farmers will never forget what it felt like to lose their farm. Labor left $96 billion worth of debt to us. We had to deal with these problems so that we could set up a future for our great nation that was not a narrow, constrained future, which was the one left by Labor. The uncertainty created by Labor weakened families and businesses but Labor continued to mismanage the economy, digging themselves further and further into debt and fudging figures about real levels of unemployment by transferring people into non-vocational Mickey Mouse courses that led nowhere except to a further erosion of self-esteem and despair.

This budget announced this year by our Treasurer after his superb development and management of the economy demonstrates the benefits to the nation that sound and experienced financial management brings. This budget showed what is possible when, despite international and domestic shocks, you are able to manage a surplus. Only then is a government in the position to make investments in key services that address some of the most critical challenges of our times—for example, the ageing population, and welfare dependency.

As I have said, when elected, the coalition government took up the responsibility and challenge to fix Labor’s legacy. Let us look at what the Howard government has achieved since 1996-97. Economic growth has averaged 3.5 per cent per year over the last 11 years. Full-time employment is up by 1,177,500, or 18.8 per cent. Part-time employment is up by 863,400, or 41.8 per cent. Female employment is up by 1,040,900, or 28.9 per cent. The female participation rate has increased by 3.8 percentage points to 57.5 per cent, a near record high for participation for women. Since March 1996, the working age employment rate has increased by 4.7 percentage points to 72.5 per cent in March 2007. However, despite the overall workforce participation rates being at the highest levels ever, despite the creation of 1.9 million new jobs since 1996, despite over 10 million Australians now being in work, despite unemployment at over 30-year lows and despite our productivity being impressively up, the Australian government still aims to further increase the supply of labour. This is necessary because our ageing population and declining fertility are projected to have negative impacts on workforce participation and productivity in the future. As a nation we must deal with this. Like all developed nations we are now faced with the consequences of this ageing population. The proportion of the population over 65 is projected to nearly double from 13 per cent in 2004 to 24.5 per cent by 2045. Almost one-quarter of the Australian population will be over 65—up from only 2½ million over 65s in 2006, to some seven million senior citizens in 2045.

Despite the workforce shortages and the predicted shortfall of 195,000 workers within five years, we have around two million people of working age receiving welfare payments in Australia, a legacy of the previous welfare policies of Labor and times before. For example, supporting parents could remain on payments until their youngest turned 16, by which time they were so long out of the workforce their own skills had become rusty and their self-esteem shattered. People with a disability remained on the DSP, or disability support pension, until an age pension rolled around. Even if the individual had a part-time work capacity or could have been rehabilitated, they were left on the disability support pension. Now we say that if a per-

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son has at least 15 hours work capacity a week we will help that person with a disability into a job to give them a new life and the freedoms that come with their own income.

The balance between taxpayers and working age welfare claimants has shifted from the 1960s when three per cent of the working-age population was on welfare. Today it is around 17 per cent. In the 1960s there were 22 taxpayers supporting one person on welfare. Today this ratio had collapsed to five taxpayers for every one on working age welfare. Quite clearly, our government had to act, and we did. We acted precisely and carefully, protecting those who needed welfare as an income, like every caring nation should, but we have introduced Welfare to Work reforms which have created a better chance, a real chance, for our two million or so working-age people on welfare, who have a capacity to work.

As the Minister for Workforce Participation, I listened to the Leader of the Opposition Kevin Rudd’s budget reply very carefully. Naturally, I and other listening Australians wanted to hear Labor’s policy or plans to ameliorate the critical problem of our changing demographics—the ageing population. I wanted to hear how Labor intended to further increase workforce participation, as we must, and especially how Labor intended to create more jobs and so reduce the reliance of working-age Australians on welfare. Unfortunately, I, like so many others, came away extremely disappointed. Not once in his headline speech, when he knew Australia was listening, did Mr Rudd, the Leader of the Opposition, mention any plan to create employment or a strategy to help unemployed Australians to take advantage of the best labour market conditions in a generation—conditions which of course the John Howard government has created and maintained.

We are currently experiencing a once in a generation chance to break the cycle of intergenerational unemployment which blights so many Indigenous and other Australian families. However, the Labor Party failed to even acknowledge the problem or endorse our highly successful Welfare to Work strategy or come up with any alternative. Fortunately, the John Howard government is not about to rest on its laurels, having created over two million new jobs and dropping unemployment rates to a 33-year low. The Howard government is determined to help disadvantaged Australians—single parents and unemployed youth, mature age, Indigenous people and people with a disability—continue to take advantage of these times when workforce shortages are creating real opportunities for employment, opportunities like never before.

On budget night this year I announced an additional $76 million in funding for a number of measures in my portfolio to further help unemployed Australians find a job. This is in addition to the $3.6 billion announced in previous budgets to resource the new Welfare to Work reforms. These additional measures just announced include another 987 places in the Disability Employment Network and 1,480 vocational rehabilitation service places at a cost of $39.8 million over four years. These services will help the disabled to upskill and improve their job prospects. These newly employed people will then be mentored in the workplace. In the last 12 months, nearly 20,000 people with a disability have been placed into work through the Job Network and the Disability Employment Network. This has been an extraordinary achievement and I congratulate all those people with a disability who have wanted so much to stay in the workforce or move into a job or keep their job.

The second measure involves an extra $11.4 million over four years so that community work coordinators will be eligible for a $500 fee for each person on the Work for the Dole
program who commences and completes an approved accredited training course either during or after their placement. Work for the Dole participants receive an $800 training credit and those on Drought Force—a specially created program to help unemployed in our drought ravaged areas—receive $1,600 in training credits. This additional incentive will ensure that even more Work for the Dole participants receive accredited training as well as on-the-job experience as they look for work.

I also announced an extension of the highly successful worker relocation program. There will be an additional over half a million dollars to help people move from regions of high unemployment to a job in an area where there is a workforce shortage. The pilot for this program saw job seekers in the Coffs Harbour, Shoalhaven and Nowra districts of New South Wales relocated to the construction industry and mine services sector in Perth. The program has been hugely successful. The demand for it has been overwhelming. The pilot provides up to $5,000 towards relocation costs per job seeker, who also continue to have access to the job seeker account for other costs associated with starting a job. There are also an additional 2,000 personal support program places provided at a cost of $15.8 million over four years. The personal support program helps some of Australia’s most disadvantaged who, for example, may be homeless, illiterate, drug or alcohol dependent or abused. We help these individuals to stabilise their lives and deal with their dilemmas so that they can get a job and remain independent and self-fulfilled. The Labor Party seems to have forgotten these people—perhaps it never cared.

We have also committed an extra $1.3 million over four years to expand our prisoner support program to help offenders with a disability who have access to a prison pre-release program and a program that allows them to work. We will help them get work on a part-time or full-time basis, and our Disability Employment Network and vocational rehabilitation service programs will help provide this special assistance. We know that the recidivism rates for ex-offenders is very high when there is no work to go to and no prospect of work once the offender is released. We intend to make a difference because we represent a caring nation. We do have the statistical evidence that shows our Welfare to Work reforms are making a difference not just for people like the ex-offenders but right across the board for those who have been unemployed, either long term or short term.

Between December 2004 and December 2006 there has been, on average, a 7.5 per cent decrease in the number of working-age people on income support, parenting payment, youth allowance and Newstart allowance. Since the introduction of the revolutionary Welfare to Work reforms, the number of welfare recipients has fallen from 2.48 million to 2.38 million, a reduction of 3.9 per cent. But this is not just about the budget bottom line or the fact that the pre-existing welfare trends were not sustainable in the near term or the long term, as the numbers reaching old age needing support increase exponentially. Most importantly, a long time on welfare is not a benign experience. Frederic S Mishken, a US Federal Reserve governor, accurately described in a recent speech the situation created by unemployment. He said:

... high unemployment—is associated with human misery, including lower living standards and increases in poverty as well as social pathologies such as loss of self-esteem, a higher incidence of divorce, increased rates of violent crime, and even suicide.

Yes, we intend to make a difference, and our Welfare to Work reforms in fact have.
Unfortunately, we have not had the support or the endorsement of the opposition. There was deafening silence from the Leader of the Opposition in his budget reply speech and that has to be very worrying for our unemployed in Australia, especially those who are of working age and are welfare dependent. Does the Labor Party not understand the need to give all Australians a fair go? Or, again, I ask: doesn’t it care? Why does Labor ignore some of the most disadvantaged in Australian society—the long-term and the short-term unemployed, Indigenous people, mature age people, disabled youth and single mums on pensions? And there has not just been total silence from the Labor Party’s hierarchy, or its leaders or deputy leaders.

This is what opposition members said about the Howard government Welfare to Work reforms in the debate of 30 November 2005 when they were first introduced. They were ‘put together by very mean people’ said Craig Emerson, member for Rankin. They were ‘all about punishment and not about reform’ and were ‘notoriously cruel, severe and uncompromising’ said Tanya Plibersek, member for Sydney. This ‘clearly shows that the Howard government is treating the most disadvantaged Australians with all the compassion of the Third Reich’ said Steve Gibbons, member for Bendigo—quite extraordinary. And then we had the crowning statement, from Julie Owens, member for Parramatta:

Will these welfare changes reduce the number of Australians already on welfare? The short answer is: absolutely not.

Well, I have just given the statistics to show that for the first time in the history of Australia, welfare-dependency trends for working age people have gone down. We have thousands of Australians, both young and mature age Australians, who can now give themselves and their children a chance to earn, to save, to lead financially independent lives and to have choices.

The John Howard government has put together a world-first innovative and highly successful strategy to create a network of private employment service providers who are paid on outcomes: if they do not get someone a job, they simply do not get paid. They have helped to achieve the lowest unemployment rates in Australia in 33 years and some of the highest workforce participation rates that Australia has seen. In the last six months our Job Network providers have placed more people in work than was achieved in the last six years of the Labor government before 1996, when it simply relied on the tired and moribund Commonwealth Employment Service. Given we are approaching an election later this year, the public has the right to know what Labor intends to do for working age people who are on welfare and cannot find work without special support, the sort of support our $3.6 billion program provides. How is the Labor Party going to address the ageing population issues, the destiny of our demographics? The silence from Labor on these very critical issues is deafening.

The 2006-07 Howard government budget not only delivered for the nation; there were also outstanding measures for the people of my electorate of Murray, where we are staggering under the worst drought on record, where families are looking each day to see whether they now sell up the remaining cattle in their dairy herds, what they will do with dying fruit trees, where they will buy fodder at the exorbitant rates it is now attracting, how they will survive this worst drought on record. I am very grateful that since 2003 over $100 million in exceptional circumstances drought assistance has come into the pockets of drought affected farmers in the Murray electorate, and more recently these funds have also flowed to small businesses who have equally shared the distress of the worst drought on record. In this year’s budget the Treasurer announced a further $688 million in drought assistance for the next financial year.
Only an economy as well managed as this one can afford such an investment, and perhaps only a coalition government cares enough, because, again, Mr Rudd has remained silent in relation to supporting exceptional circumstances payments to farmers—or any other drought strategy, for that matter.

Also announced in the budget were a whole series of measures for rural and regional Australia which included an environmental stewardship program, which I have long advocated for. This recognises that 70 per cent of Australia’s private land is managed by farmers, who sustain the quality and integrity of everything from water to soil, to the air we breathe, to biodiversity. By our recognising this through this budget initiative, farmers will be able to both produce food and fibre and uphold the environmental values that the whole of our society depends on.

The budget that was produced by this government was a caring but also a highly rational and responsible budget, one that looked both to the next 12 months and to the long-term future of this nation. We do face extraordinary challenges, in particular the destiny of our demographics. We share that same challenge with other developed nations. At least now we understand how we can make sure that our industries are not constrained and constricted by workforce shortages. Already the Reserve Bank receive regular responses to their surveys from businesses saying they need extra workforce, and those shortages are the constraining factor in their expansion. The Australian government is meeting the challenge. We have literally two million Australians who now have the prospect of a job because this government cares and has made a difference.

Mr WILKIE (Swan) (6.00 pm)—I rise to speak on the debate on the Appropriation Bill (No. 1) 2007-2008 and cognate bills. I would like to take this opportunity to speak about some important issues central to the economic prosperity and wellbeing of the people of Australia and of my electorate of Swan. I will begin by sharing my overview of the budget.

The budget handed down by the Treasurer almost two weeks ago reminds me of a tepid cappuccino: all froth and very little substance—and, may I add, even the chocolate is spread pretty thinly on top. The government portrays itself as a good economic manager, but this facade is wearing thin. The reality is that this budget fails the future test because it does not deliver the necessary reform and investment in infrastructure, education and aged care that is required to build Australia’s future productivity and prosperity. It is a budget of a government that has run out of ideas and is content to sleepwalk into the future, squandering the proceeds of a once in a generation mining boom.

My colleague the shadow Treasurer explained the impact of the mining boom on the budget when he said that the current mining boom has injected $55 billion into our economy over the last year and more than $300 billion over the last five years. This massive injection of cash is masking the fact that Australia’s productivity growth is so low. This government has failed to responsibly invest the extraordinary bounty brought about by the mining boom. Every aspect of this budget is about buying votes instead of expanding the economy’s long-term economic capacity by investing in infrastructure. As a Western Australian I am critically aware of the important role that export infrastructure plays in driving economic growth. The export sector of our economy requires expenditure on infrastructure to remove bottlenecks and to ensure that our export industries can compete effectively in world markets.
Mr Deputy Speaker Haase, as you would know, Western Australia is the engine of Australia’s current economic prosperity. Government coffers are overflowing with billions of dollars in revenue, thanks largely to the mining boom in Western Australia, from your own electorate of Kalgoorlie. But during this time of economic prosperity the government has returned only a pittance of these resource dividends back to Western Australia to meet its infrastructure needs. Prudent economic management dictates that this budget should have seen funds invested in infrastructure to pave the way for a higher rate of economic growth in the future. Why has this government ignored infrastructure investment? In my address in reply last year I posed the same question and reminded the House of the fact that the business sector, the OECD and the Reserve Bank have all identified infrastructure investment as a priority. One year on and unfortunately nothing has changed.

I have drawn the House’s attention many times to the fact that the Great Eastern Highway, which runs through my electorate, is a vital link in the national highway network. It is the major arterial road which links Perth to the eastern states and carries much of Perth’s industrial traffic, along with airline passengers entering or departing the state or who work in fly-in fly-out positions in our mines. The widening of the section of highway between Kooyong Road and the Great Eastern Highway bypass is critical for meeting the demands of a growing city, and the inadequate condition of the road places pedestrians and drivers at risk. It is a key piece of road infrastructure that deserves the attention of the federal government.

Although this part of the highway is clearly part of the national network, the federal government claims that this is a matter for the Western Australian state government to resolve alone. Such buck-passing clearly shows that the federal government does not understand the importance of infrastructure in building Australia’s future prosperity. This is particularly galling given that thousands of these road users are accessing the airport because they work in fly-in fly-out positions in the mining industry, again in the electorate of Kalgoorlie—the very industry that is generating the rivers of tax revenue that flow east but, unfortunately, it seems not in similar proportions back west. Contrast the government’s failure to invest in vital national infrastructure with their drunken-sailor spending on political advertising—$200 million of taxpayers’ money spent in a desperate attempt to get re-elected. This is a national disgrace and one for which the Australian people will not forgive the coalition.

The Prime Minister’s hypocrisy on this issue is breathtaking. Consider the history. On 6 September 1995, the Canberra Times published a report by Ross Peake, which stated:

Mr Howard complained that the Government was spending money on advertising campaigns for superannuation and the job creation programs in the Working Nation statement. Mr Howard says: ‘In a desperate attempt to find an election life raft, the Prime Minister—Paul Keating—is beginning an unprecedented propaganda blitz using taxpayers’ money.’

In a report in the Sydney Morning Herald on 6 September 1995, Mick Millet reported that the Leader of the Opposition, Mr Howard, attacked the Keating government for spending millions of dollars of taxpayers’ money on advertising and approved a move to give the Auditor-General the power to veto such ads if Mr Howard became Prime Minister. And on and on it goes.

The current Leader of the Opposition asked the Prime Minister during question time last Wednesday whether the Prime Minister regarded the government’s taxpayer funded $200 mil-
lion advertising campaign as ‘sound, and economically prudent’. The Prime Minister said that he did not regard the government’s Work Choices and superannuation campaigns as being politically motivated. Such statements beggar belief and are testimony to the fact that this government is mean, tricky and out of touch. Remember that the phrase ‘mean, tricky and out of touch’ was not made by the Labor Party; it was made by, I think, the National President of the Liberal Party or someone in a very senior position in the Liberal Party. So ‘mean, tricky and out of touch’ was from the mouths of the government themselves.

The bottom line is that, rather than investing in the upgrade of the Great Eastern Highway, the government has chosen to invest $200 million of taxpayers’ money in political advertising in an attempt to save their own jobs. This road project would cost, in total, $160 million if funded entirely by one body alone. What we are not asking for is $160 million. What I want to see out of the federal government is $80 million—half the money, a fraction of the amount they are using in advertising—so that we can then get the state government to commit to half the money themselves. It is pathetic that the government is spending $200 million of our money on advertising but it cannot give us a measly $80 million to start doing this vital work in my electorate. Why has the government failed to invest in this important piece of national infrastructure? It is because residents living in the marginal federal electorate of Swan do not even make a blip on the Treasurer’s economic radar. Many of the local residents I speak to are outraged at the government’s lack of urgency in dealing with this matter. Their repeated calls for funding have gone unheeded time and time again. I call on the government to stop the buck-passing and ensure that the Great Eastern Highway upgrade project receives the funding it requires.

Western Australia is leading the nation in terms of economic growth and job creation. Therefore, it would be fair and reasonable to assume that the government would ensure that Western Australia is endowed with the very latest in telecommunications technology. Sadly, this is not the case. The fact of the matter is that Australia is a dinosaur in telecommunications, and this federal budget has done nothing to drag us out of the broadband Stone Age. In this world of globalisation and economic interdependence, it is demoralising that Australia continues to lag behind countries such as Korea, Japan, Canada and the US as a consequence of the government’s neglect of telecommunications policy.

Mr Ciobo—That’s not true.

Mr WILKIE—The government has been asleep at the wheel on this issue. They have failed to recognise that a world-class broadband network will underpin the next stage in Australia’s economic expansion when the mining boom inevitably wanes. The government is so out of touch, it refuses to admit there is even a problem.

Take the Minister for Communications, Information Technology and the Arts, Helen Coonan, who says that our levels of broadband access are ‘okay’. She also says that no-one is complaining about the speeds of broadband in metropolitan areas. The member opposite, Mr Ciobo, said a minute ago that these problems are fabricated, that they are not real. I can tell the chamber that these problems are real and that the minister is demonstrating she is out of touch because of the countless people who have contacted my office and complained about their inability to access broadband or the woeful speed provided by the current provider.

The name Peter Bull may not mean anything to the minister for communications or the member opposite, but he is one of my constituents living in the suburb of East Cannington.
He and many more like him have been appallingly affected by the government's failure on broadband policy. Mr Bull is a small business owner who works from home and relies on the internet as a vital business tool. He and his partner recently moved to East Cannington after they received an assurance from Optus that broadband would be available at their new address, but it was not. What should have been a simple procedure for a small business owner like Mr Bull turned into a drama of endless phone calls and misleading information. On further investigation, Mr Bull discovered that the problem is due to insufficient copper wires between his house and the telephone exchange. Telstra said it has no plans to upgrade the cabling any time in the future. What Mr Bull and so many other Australians want to know is this: when will they have access to world class broadband services? I can tell them that a Labor government, in partnership with private enterprise, will deliver a national fibre-to-the-node broadband network that will deliver the level of service necessary for Australia's future economic growth.

A second example of the effect of this government's broadband policy is that of another of my constituents, Kewdale resident Ainslee Arnott. On 29 December 2006, Mr Arnott requested a broadband connection from his internet service provider, Amcom. He writes:

All I want is ADSL Broadband in Kewdale. I am a hardworking taxpayer who wants a fair go and some answers. We live eight minutes from the heart of the city and cannot get ADSL because we are too far from the Ascot exchange.

The response which Mr Arnott received from Amcom was not good reading. It states:

Ainslee, in regards to your query as to whether you can get broadband, I have performed a check and it is not possible to get broadband in your area due to transmission loss being too high. Regrettably, there is nothing we can do about this, as we do not hold the authority over the cables that the connections run through, so it is not possible to provide you with an ADSL service.

Australians deserve better than this. If Australia is to remain a competitive player in the 21st century, this sorry state of affairs cannot continue. Under a Rudd Labor government it will not. Under a Rudd Labor government, the people of Swan will no longer be forced to relocate their homes and businesses simply for the privilege of decent access to a broadband network. We are determined to deliver a better broadband network for Australia and we are determined to lay out the policies that will create Australia's future prosperity.

I would now like to discuss another matter of urgent economic importance and that is aged care. Aged care is a matter of paramount concern to me, given that senior Australians make up 20 per cent of the constituents of my electorate of Swan. I welcome the $500 one-off bonus for those senior Australians on pensions and the $1,000 one-off carers bonus. However, budget expenditure from this government has always been far less than what has been needed to address aged care issues. This government has failed dismally in providing a sustainable funding model for residential aged care and in keeping up with the real costs of providing aged care.

According to the aged care council, there are now 160,000 Australians living in residential care and this figure is set to grow by 215 per cent to 504,000 by 2045. Many of our senior residents are missing out on receiving aged care services and those who do get them find those services are rationed. There is an increasing gap between aged care costs and government funding that has resulted in declining levels of aged care services. We need to ensure
that our senior residents receive the proper measures of care that will enable them to live out their remaining years in comfort and with the dignity that they deserve.

The housing crisis has had a particularly harsh impact upon senior Australians and pensioners. Here, again, the Treasurer has left pensioners, particularly those living in rental accommodation, well and truly out in the cold. I outline here the details of two cases that demonstrate this government’s failure to support the housing needs of senior Australians. A constituent in my electorate, an 81-year-old pensioner from East Victoria Park, has lived at the same address for seven years. In May last year he renegotiated his rental agreement with his agent at $120 a week. In November last year his rent was increased to $170 a week. In March 2007 his agent notified him that rent was to be increased a further $20 a week, effective from 22 May, making his total rent $190. As of 4 April this man’s total pension, including rent assistance, will be $634 a fortnight, of which $380 he has paid in rent. This leaves him a meagre $264 with which to support himself.

A second example is that of an elderly constituent from the suburb of Como who receives an Australian age pension and has recently been advised of her landlord’s intention to sell the property. Four hundred and eighty dollars of her fortnightly pension is paid on rent. Naturally she is very concerned for her future and fears that given the escalating rental and property market in Western Australia her pension will not sustain her in her subsequent dwelling.

These examples highlight the woeful inadequacy of the government’s rent assistance policies, in particular the plight of elderly pensioners who find themselves at the mercy of unforgiving market forces. It is unfair to expect Western Australian pensioners and low-income earners to survive on the government’s one-size-fits-all rent assistance policy given the escalating property and rental markets in Perth. Senior Australians deserve better. This budget fails to meet the basic needs of senior Australians for quality affordable aged care and affordable housing.

The failures on infrastructure, broadband and aged care that I have outlined here exemplify how this government has dropped the ball on economic reform. Instead, we see evidence of a government full of complacency and contempt that has abandoned the principles of good policy making. I refer to Ken Henry’s speech on 13 March when he tossed a political hand grenade which demolished the government’s economic credentials and exposed their economic policies for what they really are: a sham. Here we have one of our top public servants, the country’s most senior economic bureaucrat, embarrassing the government by making unprecedented comments on how Treasury’s policy approach to tackling climate change and water reform would be far superior to that hastily cobbled together by cabinet over summer without input from Treasury or the finance department. Ken Henry reveals the reality of a government no longer concerned with economic reform or productivity growth or preparing Australia for the challenges of the future. Instead of reform, the Treasurer merely delivers repackaged spending from previous years.

George Megalogenis in the Weekend Australian hit the nail on the head in his article on 12 May. He likened the government’s budget to the Seinfeld episode in which Elaine catches out her dentist ‘regifting’ a present she has given him by recycling it to someone else. Megalogenis wrote:

Every pre-election budget contains an element of regifting, in which money that was supposed to pay for an old policy is pinched to fund a new one.
This budgetary sleight-of-hand is the work of a mean and tricky Treasurer. He has given up on economic reform. He is only concerned with his own party’s re-election. As Dr Henry argued, measures to increase productivity are urgently needed, yet what does the Treasurer deliver: merely another budget of clever election year handouts and political spending.

Education is the best example of how this budget is comprised of clever or tricky policies designed only to get the government re-elected. Under this government national investment in education will have declined from two per cent of GDP in 1995-96 to 1.6 per cent of GDP in 2007-08, and indications are that Australia’s productivity growth will decline from the end of the next financial year. The Treasurer’s smirking self-congratulation over the creation of the endowment fund for higher education cannot hide the black mark of shame that this government wears for presiding over a decade of decline in federal investment in education. The government’s belated discovery of the value of education investment is a decade too late. While the endowment fund is a welcome support for our beleaguered university sector, it does not address the fundamental deficiencies in university funding. It does not provide the real increases to recurrent funding that our universities require. It does nothing to address student-teacher ratios and overcrowded university lectures. It does nothing to address the fact that university students are forced to take on more paid employment and more debt to support themselves through university. It does nothing to address the funding shortfall that has resulted in $100,000 degrees for Australian students.

The government’s answer to these problems is not to invest in universities, not to invest in an education revolution, but rather to deregulate fees so that the cost of a university education rises even higher. Budget measures reveal the true intentions of the government in their failure to invest in our universities. The Prime Minister who said that Australia would never see a $100,000 degree has instead presided over an ever-growing number of full-fee degrees for Australian students, many that cost much more than $100,000. It is only the Labor Party that has a commitment to implement an education revolution which will underpin Australia’s future prosperity and restore the fair go to our schools, colleges and universities. What Australia needs is fresh thinking and a fresh commitment to making the economic reforms that will lay the foundations for Australia’s next stage of economic prosperity.

What does this budget offer? Nothing more than the stale ideas of a government that has passed its use by date. It is only Labor that has a plan to build Australia’s future economic prosperity, a plan based on investing in vital national infrastructure, building a world-class broadband network, investing in aged care and implementing an education revolution—(Time expired).

Mrs GASH (Gilmore) (6.20 pm)—Running any business operation is demanding and requires a balance of virtues to make sure your investment yields the dividends that you want. You cannot afford to be frivolous; you cannot afford to be free spending; you cannot afford to take your eye off the ball for one minute. You need to draw on qualities such as prudence, responsibility, vision, discipline and hard work. You need to have a plan. Running a business on behalf of other people needs to be mixed with compassion, honesty, understanding, and of course patience. Every business has to work to a carefully considered plan to make sure it grows. There have to be contingency plans for the unexpected and a buffer for those times when things do not go quite according to plan.
The Australian economy has the same dynamics, albeit on a grander scale. A $3 trillion economy requires those attributes to a very high degree and, to continue my metaphor, those running the business have to work hard to retain customer loyalty. In the ebb and flow of business, customers come and go and it takes a lot of personal effort and sacrifice to retain their loyalty. Customers are fickle creatures and the axiom in business, caveat emptor—let the buyer beware—holds true in politics. The Treasurer has delivered yet another outstanding budget, which shares the wealth that has been created over the last decade. But this has not come about by accident. Like any other prudent business manager, the Liberal-National government took over a run-down business and turned it around. It was a business that was in debt to the tune of $96 billion, and we all know what it costs if just our credit card is in the red. The government paid off the debts Labor had accrued, releasing much needed funding—some $9 billion each year—that was servicing the debt and directed those savings into profitable yields that went back to the community in various forms.

It rejuvenated confidence, giving its customers a much needed boost, and insulated the Australian economy from waves of economic recessions that impacted on other countries. It value-added to the service delivery for its customers and it gave its private sector business the stability needed to grow and prosper. And thriving we are, so it is even more galling to listen to the opposition talking about schemes that they would introduce that would fritter away our hard worked for advantage. This is tantamount to someone saying that they are going to knock down all the little shops in your homely little town and build a huge concrete shopping centre that has all the personality of a rock. It leaves a sickening taste in your mouth.

This budget has built on the gains of previous budgets and has set the scene for further growth and stability. It incorporates the thread of providing for a secure future and anticipating contingencies that we always have to prepare for. But we can only confidently prepare for them from a position of affordability, and if those gains are frittered away the only thing that we will be able to contribute is empty rhetoric. That very same affordability will determine how far and how fast we can continue to grow. I note that in the media major businesses are talking about ‘the Rudd factor’, which is the contingency for having to deal with wall to wall Labor governments across the nation should Labor win. Talk about a closed shop. What they are saying is that they are anticipating an added cost to their businesses. They expect to eventually go backwards under a Labor administration because that is Labor’s historical track record.

You only have to look at the New South Wales government today to see the future. This discredited government is dragging the rest of the nation down, and the light at the end of the tunnel is dim indeed. Despite the mammoth growth in state revenues, New South Wales is literally labouring under the weight of ineptitude and procrastination. In my electorate alone the spectre of delay for approvals for projects that would yield growth, jobs and security is all too real. One of the major projects that was initiated during my first term—going back to 1998—was the construction of main road 92. Yet here it is, 2007, and, following years of delay, horse trading and ideological conflict, less than half of the project is complete.

I am grateful for what has been achieved so far, but imagine if the New South Wales government was proactive, forward thinking and genuinely had the interest of all the people of Gilmore at heart. This road would have been finished four years ago and the local economy would have been booming both for residents and business, as both are interdependent. In-
instead, the frustrations brought about by unreasonable delays from the New South Wales government has resulted in Gilmore suffering under the weight of opportunity denied. The unemployment rate is high, business confidence is lagging and everyone is waiting for the New South Wales government to take responsible action. The building industry, which underpins the local economy, is languishing. It needs a boost from the state government in the form of development opportunities to jump-start the economy. But we are not alone. Anecdotal evidence from all over the state reflects the lament of how quiet the state commercial economy is. And when business is quiet, jobs are under threat. Even Sydney is doing it tough, but have we seen any sign that would give us hope that the New South Wales government are prepared to stimulate activity? I do not think so. Yet they continue to rail against the federal government with seemingly oblivious indifference to their own role in matters.

Is it acceptable to the people of New South Wales if the RTA procrastinates over roadworks, if Frank Sartor takes eons to make a decision on developments, if the New South Wales health minister is in denial about the state of his health system, if the New South Wales Minister for Housing—whose own electorate overlaps mine—does not want to address the issue of the rental crisis, and if the New South Wales minister responsible for the rail system is accepting of a Third World standard? I will mention a case in point. Three years ago, the federal government gave the New South Wales government $15 million to upgrade a major traffic black spot death area in Gilmore. The money is still sitting there and not a sod has been turned. The Princes Highway continues to kill and maim. It is a roadway under the direct and clear responsibility given to the New South Wales government. There is overwhelming pressure from the community to have it upgraded, but the New South Wales government continue their tactic of deflecting the need to take any action by saying that the feds have not given them enough money. How can we? They have not spent the last lot yet. Another $10 million was given two months ago—and there is no sign of when work will start on the Mount Conjola bends.

For my part, I can more than adequately demonstrate that the government of which I am a member has listened, is listening and continues to act. Let me point to some of the manifest funding initiatives delivered to Gilmore over recent years. The local council and the federal government saw the economic benefits that the construction of a highway between Nowra and Canberra would bring—and the Prime Minister put his money down, as did the local Shoalhaven City Council. Two elections later, six years ago, the New South Wales government came on side with their share. Can you imagine the extra cost of building the road years later? But I will get back to what we are achieving in Gilmore thanks to this government. These projects set the groundwork upon which we are building, and I certainly do not want to see our people jeopardised by an opposition that have already said that they will raid the Future Fund to pay for their election promises. Again, that smacks of increased taxes, wealth tax and perhaps even the reintroduction of death duties—all things this government got rid of by paying back Labor’s huge debt.

I am grateful for the support our government has extended to the seat of Gilmore, but there is always more to be done, especially with having to suffer under a lacklustre state government. Obviously high on my list of priorities is the question of the Princes Highway. An opportunity has arisen with the announcement of AusLink 2. We announced in the 2007-08 budget that we will invest $22.3 billion on Australia’s land transport system from 2009 to
2014—the second stage of the AusLink national land transport plan. I will continue pursuing funding for traffic black spots, building on the success of road funding projects that have been delivered directly to councils for specific projects and have been received with much enthusiasm and relief. They are projects such as the Roads to Recovery program, which saw the sealing of the much used dirt road, Forest Road, which runs from the villages of Callala Bay, Callala Beach and Currarong to the Princes Highway. Then there is the Kiama bypass—where, at every turn, the state government failed to acknowledge the over $34 million in contributions by the Australian government and the many millions in black spot funding.

Our schools, 56 of them, received millions of dollars through the Investing in Our Schools program, as well as capital funding for Kiama High School, Milton Public School, Ulladulla High School, Nowra High School and Sussex Inlet Public School, to name but a few. The Shoalhaven campus of the University of Wollongong and the Moss Vale campus have benefited through large injections of capital funding. Other highlights include the recently opened medical school and, soon to be added, nurses centre; 2½ thousand extra aged-care beds; skate parks; and many heritage and environmental projects—not to mention the huge upgrade of HMAS Albatross and HMAS Creswell. In fact, Mr Deputy Speaker, since 1996, over $2.2 billion of federal funding has been invested in Gilmore.

I will continue pursuing funding under the Regional Partnerships program. It has delivered highly successful projects with substantial benefits to many community organisations that are extremely grateful for this support. I cannot understate the role of the Shoalhaven Area Consultative Committee in securing these funds on behalf of the community. They have been a vital influence in the success of the projects that have seen the light of day thanks largely to their efforts and determination. Among some of the bigger ticket items are the Shoalhaven City Arts Gallery, which received $150,000, with another $246,000 to the same art gallery for a music sound study which will be attached to the Shoalhaven City Arts Centre, and the Sealab research facility, which is attached to the Shoalhaven university campus. Shoalhaven City Council has benefited from a $3 million contribution towards the construction of their Civic Centre, which will embellish the image of the city. The Dunn Lewis Youth Development Foundation that was set up as a memorial to two local youngsters killed in the Bali bombings was assisted with a grant of half a million dollars. The Wingecarribee Community Services Centre got a much needed boost with a contribution of over $600,000. The Cancer Outpatients Appeal of Milton Ulladulla also was invigorated through a supporting contribution of over $450,000. The Milton Ulladulla Tennis Association was able to expand their complex for the benefit of the local community with a contribution of $220,000 and the Huskisson community was able to construct an amenities building for the local volunteer coastal patrol. The Nowra Rugby Club benefited from an infusion of $200,000 to bring their grounds up to a prime competition facility—and the list goes on.

I can proudly say that all I listed as my objectives for the community in my maiden speech to parliament have been realised. I am proud of these achievements, but the project which has a special place in my heart is the civilian cadet scheme that was piloted in the Shoalhaven and hailed by the Governor-General, who recently visited the Shoalhaven. The Prime Minister saw the benefits of this concept and lent his support to it, so much so that now the scheme will be expanded to other areas. As a result, our young people have been able to participate as volunteers in community services such as lifesaving, policing, emergency services, bushfire bri-
gades and involve themselves in national park activities. Almost in parallel is the Gilmore Youth Leadership Forum, which is now in its third year. The potential of future leaders that has been demonstrated through this vehicle never ceases to amaze me. I am also proud of our initiative, in company with my colleagues the members for Cowper and Kalgoorlie, for a scheme to relocate our willing unemployed to the booming industrial activity in Western Australia. What greater compliment than to see this scheme also expanded.

I need to reiterate the benefits that a surplus budget brings—not just one budget but a string of budgets that have delivered the confidence necessary for the private sector to invest for growth. Much of the credit for these successful initiatives can be attributed to the close working relationship that has been built up over the years with the councils of Kiama, the Shoalhaven and Wingecarribee. Now we will be working equally hard to build a similar cooperative working relationship with the newly attached Eurobodalla Shire Council at Batemans Bay.

What would happen if these working relationships came to a close? Already the signs are there with Labor flagging that they are prepared to raid the Future Fund. They tried to raid the superannuation fund when they were in power and perhaps the funds we have been able to put away over the years for our rainy days may become too tempting a target for the union bosses dominating the opposition’s front benches. It may be just too tempting to go on a big project spending spree as soon as they take over the reins of government. They may talk about fiscal possibility but the track record of the Labor Party suggests otherwise. I think the temptation will become too great, and the best example I can point to, if people need to see how Labor thinks, is the Labor government in New South Wales. Imagine the likes of Morris Iemma and his team mates in control of the nation’s purse strings.

On the horizon are many challenges for the nation: the spectre of ever increasing energy costs, global warming, economic uncertainty and the ability to deal with these challenges as they arise. Our credentials are on the table and our preparedness to place and keep Australia where it deserves to be is clear. I am confident that Gilmore will continue to benefit from the proactive policies of the federal government and I will certainly be doing all I can to ensure that we get a fair share. Getting the job done is always a work in progress, and among the plans for the future is a way of addressing our unemployment problem. Last year we saw the writing on the wall with a number of our local industries announcing that they would be closing or winding back their activities. We were looking at the loss of over 700 direct jobs and many more through the multiplier effect. There is no value in blame laying or crying over spilt milk. What was needed was an action plan to create other opportunities. Because this was a matter affecting the whole community, it was to them I turned to get things going. As a result of this cooperative approach, Blueprint Shoalhaven was born. Blueprint Shoalhaven is a collective of community leaders and businesses who shared the belief that the solution was largely in their hands. We worked together to put it into place. It is an action plan that I feel very positive about—positive and uplifted—because it shows that we can work together for the common good.

Blueprint Shoalhaven holds the promise of better things not only for the Shoalhaven but also for the remainder of Gilmore, because it serves as a model for the way things can be done by a willing community. My aspiration for the next term continues to build on what has been created. What I will be pursuing will contribute to the amenity and benefit of the community. These include: identifying and acquiring $1 million in funding for a linear accelerator; a nurs-
ing school at the University of Wollongong Shoalhaven campus, with 30 places to be offered in 2007; the revamping of the old Chesalon Nursing Home into a respite centre for the disabled; and an early intervention centre of excellence.

I am grateful this budget included an improved delivery of dental health services, even though this is largely the domain of the state government. Similarly with mental health: again we, the Liberal-National government, gave the extra funding, but where is it in Gilmore? The state government needs to address the poor services available to those who are affected by mental disease.

We now have junior sports grounds to assist talented youngsters to realise their potential in the sporting field. Kiama Showground is in need of upgrade, especially the pavilion. Perhaps some of the necessary funding can be sourced through the Regional Partnerships program. Ulladulla harbour is another high priority, especially after the diminishment of the fishing fleet following the licence buy-out scheme. Ulladulla is a small town located between two regional centres, and as such needs our help to maintain its viability because there are few opportunities there for employment.

The boat harbour at Huskisson has been in limbo for over a decade and is worthy of pursuing, because I have no doubt it will add value to the local economy and welfare of the community around Jervis Bay. We are also looking at an ecovillage concept in the region and, given the widespread concerns over the way the environment seems to be heading, it is an entirely appropriate initiative to explore. Kangaroo Valley comes to mind, especially when main road 92 is completed, thereby eliminating trucks and heavy vehicles from the area.

I am looking at expanding the University of Wollongong Batemans Bay campus to offer more opportunities for the community to pursue tertiary education, such as the Grad Dip. Ed. places. I would also like to see the Korean veterans gifted with a favourable response for their cause of recognising 17 of their comrades who died after the armistice in Korea.

The Princes Highway must be included in the AusLink program because I see no evidence of any enthusiasm on the part of the state government to fulfil its responsibilities towards those who regularly drive that highway. More Centrelink positions are needed, especially given the high unemployment rate in Gilmore and our large demographic of welfare dependent residents.

I am also looking at the establishment of Kiama Hospital transitional beds for those who need care after a stay in hospital, prior to going home for self-care. Our high demographic of aged persons makes such a proposal almost mandatory.

A helicopter training facility at HMAS Albatross is a natural progression to capitalise on the defence assets already in place. We have already put in our bid for that facility. Gilmore has a comprehensive avionics support industry base for naval helicopters and makes for an ideal setting for expanding into allied areas. And soon to be added is an Australian technical college to allow students to complete their special skills.

All these aspirations can only occur as a result of a community which is prepared to work together and a government which has shown a preparedness to support them in that ideal. Until the coalition came into power in 1996, the region only experienced the token gesture from the then Labor government. They were given crumbs, and I suspect that if Labor come back to power the region will again go backwards, with the focus shifting to Labor’s power base in
Wollongong and away from the Shoalhaven. Most people in the Gilmore electorate have seen for themselves where the state Labor government have directed the lion’s share of revenue since 1995. No better example is the lack of funding for the Princes Highway and the reluctance with which they approach funding for main road 92.

Since 1995, we have witnessed project after project being stymied or ignored to the eventual detriment of residents. The consequence of this recalcitrance is today’s high unemployment rate but thankfully, with the Liberal-National government at the national level, the neglect of the state Labor government can be offset to some degree. Without this balance, there is no safety valve. I commend the budget to the House.

Debate adjourned.

Main Committee adjourned at 6.40 pm