COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES

House of Representatives

Official Hansard

No. 9, 2007

Wednesday, 13 June 2007

FORTY-FIRST PARLIAMENT
FIRST SESSION—NINTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES
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SITTING DAYS—2007

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- **NEWCASTLE** 1458 AM
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- **GOLD COAST** 95.7 FM
- **MELBOURNE** 1026 AM
- **ADELAIDE** 972 AM
- **PERTH** 585 AM
- **HOBART** 747 AM
- **NORTHERN TASMANIA** 92.5 FM
- **DARWIN** 102.5 FM
FORTY-FIRST PARLIAMENT
FIRST SESSION—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

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

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<td>Vasta, Ross Xavier</td>
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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
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Clerk of the House of Representatives—I C Harris
Secretary, Department of Parliamentary Services—H R Penfold QC
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Minister for Transport and Regional Services and Deputy Prime Minister
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

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The Hon. Alexander John Gosse Downer MP

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The Hon. Anthony John Abbott MP

Attorney-General
The Hon. Philip Maxwell Ruddock MP

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The Hon. Kevin James Andrews MP

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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

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

Minister for Human Services
Senator the Hon. Christopher Martin Ellison

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<td>and Manager of Government Business in the Senate</td>
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<td>Minister for Small Business and Tourism</td>
<td>The Hon. Frances Esther Bailey MP</td>
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<td>The Hon. Dr Sharman Nancy Stone MP</td>
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<td>The Hon. Bruce Frederick Billson MP</td>
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<td>Special Minister of State</td>
<td>The Hon. Gary Roy Nairn MP</td>
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<td>Minister for Ageing</td>
<td>The Hon. Christopher Maurice Pyne MP</td>
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<td>The Hon. Andrew John Robb MP</td>
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<td>Senator the Hon. Nigel Gregory Scullion</td>
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<td>Senator the Hon. David Albert Lloyd Johnston</td>
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<td>Assistant Minister for Immigration and Citizenship</td>
<td>The Hon. Teresa Gambaro MP</td>
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<td>Assistant Minister for the Environment and Water Resources</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
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<td>The Hon. De-Anne Margaret Kelly MP</td>
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<td>The Hon. Christopher John Pearce MP</td>
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<td>Senator the Hon. Richard Mansell Colbeck</td>
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<td>The Hon. Robert Charles Baldwin MP</td>
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<td>The Hon. Gregory Andrew Hunt MP</td>
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<td>The Hon. Sussan Penelope Ley MP</td>
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<td>The Hon. Patrick Francis Farmer MP</td>
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<td>Parliamentary Secretary to the Minister for Health and</td>
<td>Senator the Hon. Brett John Mason</td>
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SHADOW MINISTRY

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Deputy Leader of the Opposition, Shadow Minister for Employment and Industrial Relations and Shadow Minister for Social Inclusion
Leader of the Opposition in the Senate and Shadow Minister for National Development, Resources and Energy
Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology
Shadow Minister for Infrastructure and Water and Manager of Opposition Business in the House
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Shadow Assistant Treasurer and Shadow Minister for Revenue and Competition Policy
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Shadow Minister for Industry and Shadow Minister for Innovation, Science and Research
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Shadow Minister for Primary Industries, Fisheries and Forestry

Senor Kerry Williams Kelso O’Brien

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Nicola Louise Roxon MP

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Wayne Maxwell Swan MP

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Lindsay James Tanner MP

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Senator Penelope Ying Yen Wong

Shadow Parliamentary Secretary for Foreign Affairs

Anthony Michael Byrne MP

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The Hon. Graham John Edwards MP

Shadow Parliamentary Secretary for Environment and Heritage

Jennie George MP

Shadow Parliamentary Secretary for Treasury

Catherine Fiona King MP

Shadow Parliamentary Secretary for Education

Kirsten Fiona Livermore MP

Shadow Parliamentary Secretary to the Leader of the Opposition

John Paul Murphy MP

Shadow Parliamentary Secretary for Industrial Relations

Brendan Patrick John O’Connor MP

Shadow Parliamentary Secretary for Industry and Innovation

Bernard Fernando Ripoll MP

Shadow Parliamentary Secretary for Northern Australia and Indigenous Affairs

The Hon. Warren Edward Snowdon MP

Shadow Parliamentary Secretary to the Leader of the Opposition (Social and Community Affairs)

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

TAX LAWS AMENDMENT (SIMPLIFIED GST ACCOUNTING) BILL 2007

First Reading

Bill and explanatory memorandum presented by Mr Dutton.

Bill read a first time.

Second Reading

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (9.01 am)—I move:

• That this bill be now read a second time.

This bill amends the A New Tax System (Goods and Services Tax) Act 1999 to extend simplified accounting methods to more small businesses.

As part of the 2007-2008 budget, the Australian government announced a package of measures to make it easier for small businesses to meet their GST obligations. The measures include: increasing the GST registration turnover threshold for businesses to $75,000 and increasing the GST-exclusive threshold to $75 before businesses will need to obtain a tax invoice to claim an input tax credit for purchases.

In addition to those changes, the amendments in this bill deliver on the government’s commitment in the budget to expand existing simplified accounting arrangements for GST to reduce red tape and compliance costs for Australian small businesses.

Small businesses make a substantial contribution to our economy and to Australia and are a vital source of jobs, exports and innovation. The Australian government is firmly committed to ensuring that enterprising Australians can create a business and prosper. As part of this commitment to helping the small business sector, the Australian government is streamlining and reducing business compliance costs as much as possible, including assisting businesses to comply with their GST obligations.

Since GST began in July 2000 the GST law has enabled the Commissioner of Taxation to offer simplified accounting methods for use by eligible businesses. Over time, the availability of simplified accounting methods for GST has been extended to include a wider range of eligible small businesses. Simplified accounting methods are currently available for eligible food retailers, including supermarkets, convenience stores, restaurants, cafes and caterers.

This bill amends the GST law to extend the existing range of entities for which the Commissioner of Taxation can determine simplified accounting methods. From 1 July 2007, the Commissioner of Taxation will be able to determine, in writing, simplified accounting methods for businesses, or other entities such as charities, that have an annual turnover of less than $2 million and that make either a mix of taxable and GST-free supplies, or that have acquisitions of taxable supplies and GST-free supplies.

With small businesses making up 95 percent of all Australian businesses, this bill ensures that more small businesses in Australia will be able to benefit from applying a GST simplified accounting method to reduce their GST compliance costs. In particular, some of the types of businesses that are expected to benefit from this initiative include small businesses that export goods or services, optometrists, retirement village operators, child-care operators, chemists, educational institutions, travel agents, suppliers of medical appliances and health supplement retailers.
Small businesses will be able to approach the Commissioner of Taxation to use a simplified GST accounting method and potentially apply a single ratio to their total sales or total purchases. That is, under the additional simplified accounting methods, businesses with an annual turnover of less than $2 million will be able to determine their GST liability by applying a ratio to their total supplies to establish the proportion of taxable supplies to GST-free supplies. The same method would be applied to total purchases to establish the proportion of taxable purchases compared to those that are GST-free.

This bill implements positive improvements to Australia’s taxation system. Full details of the measures in the bill are contained in the explanatory memorandum.

Mr CREAN (Hotham) (9.05 am)—I move:

- That the debate be now adjourned.

We look forward to making the point, when we come to debate the Tax Laws Amendment (Simplified GST Accounting) Bill 2007, that this is a full adoption of Labor’s policy that we talked about six years ago.

Question agreed to.

INDUSTRIAL CHEMICALS (NOTIFICATION AND ASSESSMENT) AMENDMENT (COSMETICS) BILL 2007

First Reading

Bill and explanatory memorandum presented by Mr Pyne.

Bill read a first time.

Second Reading

Mr PYNE (Sturt—Minister for Ageing) (9.06 am)—I move:

- That this bill be now read a second time.

I am pleased to introduce the Industrial Chemicals (Notification and Assessment) Amendment (Cosmetics) Bill 2007. The bill presents amendments that deliver on the government’s commitment to reforming the regulation of cosmetics, creating long-term, sustainable and competitive advantage for the cosmetics industry while ensuring the continued safeguarding of health, safety and environmental standards.

The bill makes a number of changes to the Industrial Chemicals (Notification and Assessment) Act 1989. The act establishes a system of notification and assessment of industrial chemicals to protect health, safety and the environment and to provide for registration of certain persons proposing to introduce industrial chemicals. The Department of Health and Ageing, through the National Industrial Chemicals Notification and Assessment Scheme, NICNAS, administers the act.

As part of the government’s broader initiatives to reduce regulation, NICNAS established the Low Regulatory Concern Chemicals Task Force to investigate reform of the regulation of chemicals of low regulatory concern. While many of the reforms recommended by the task force were implemented through amendments to the act in 2004, the proposed reforms in relation to cosmetics regulation were further developed through a Cosmetics Implementation Working Group. In particular the working group was tasked with examining reform options to address interface issues relating to the regulation of cosmetics by the Therapeutic Goods Administration (TGA) and NICNAS.

In November 2005, the government endorsed the proposed reform of cosmetic regulation in Australia—as reflected in the Regulation of cosmetic chemicals: final report and recommendations—including the establishment of NICNAS Cosmetic Guidelines. It was also noted that the reforms would be underpinned by legislation.

Mr Crean interjecting—

CHAMBER
**Mr PYNE**—I never tire of the enthusiasm of the member for Hotham! In the absence of legislative underpinning, the reforms were implemented on an administrative basis in relation to some specific cosmetics. Since early 2006, NICNAS has issued administrative permits which allow for the specified product to be regulated as a cosmetic under the interim arrangements provided that the product complies with the NICNAS Cosmetic Guidelines. The guidelines are not, however, enforceable and no penalties can be imposed for non-compliance. Further, there are some categories of cosmetics, such as skin whitening products and anti-ageing products, that are not subject to the interim arrangements and will not come within the remit of NICNAS until the legislative changes take effect.

These amendments therefore represent an important next step and reflect the government’s commitment to ensure the most efficient regulatory system is in place for industrial chemicals, including cosmetics.

While the ingredients in cosmetics have been regulated by NICNAS as industrial chemicals for quite some time, the bill represents an extension of the existing approach by enabling the minister to make standards for cosmetic products as a whole, that are imported into, or manufactured in, Australia.

The proposed standard for cosmetics will be based on the existing NICNAS Cosmetic Guidelines and will be developed in consultation with key stakeholders.

The approach adopted will deliver greater clarity and certainty for industry, capacity for NICNAS to take action in the event of non-compliance and, by so doing, ensure the protection of public health, occupational health and safety and the environment. The reforms also increase international harmonisation with Australia’s key trading partners and ensure greater access to the reforms for all relevant cosmetics products, reducing the regulatory burden and costs to industry.

It is also proposed that the opportunity be taken to make minor technical amendments to the act to improve clarity and consistency within the act. These proposed minor amendments will have no significant impact on business, do not place any restriction on competition and do not place any significant additional requirements on the industrial chemicals industry.

In summary, there is strong support for all of the proposed amendments. These amendments have been developed in response to industry concerns and in consultation with industry, government and the community. The proposed amendments will not affect the current operation of the act, but incorporate the regulation of cosmetics into the current regulatory scheme for industrial chemicals to enable a more efficient process for industry while maintaining existing levels of worker safety, public health and environmental standards. I commend the bill to the House.

**Mr CREAN** (Hotham) (9.11 am)—I move:

- That the debate be adjourned.

I suggest that the Minister for Ageing should have tried harder to change the acronym.

Question agreed to.

**ABORIGINAL LAND RIGHTS (NORTHERN TERRITORY) AMENDMENT (TOWNSHIP LEASING) BILL 2007**

**Second Reading**

Debate resumed from 12 June, on motion by **Mr Brough**:

- That this bill be now read a second time.

**Mr TOLLNER** (Solomon) (9.11 am)—As I said last night, I am very honoured to speak on the Aboriginal Land Rights (Northern Territory) Amendment (Township Leasing) Bill 2007 as it is another step in improv-
ing opportunities for Indigenous people on Aboriginal land in the Northern Territory. This is vital for the social and economic development of the Territory.

The amendment bill seeks to establish an office of Executive Director of Township Leasing to enter into and administer township leases on Aboriginal land in the Northern Territory. The township leasing scheme is established under the Aboriginal Land Rights (Northern Territory) Act and enables Aboriginal landowners to issue long-term leases over their land to promote economic development.

The bill specifies the functions of the executive director and provides for appointment by the Governor-General. The bill also provides for the terms and conditions under which the executive director will hold office, the way in which the executive director may obtain the assistance of staff and consultants, and reporting procedures for the executive director.

The Commonwealth had anticipated that the NT government would establish an entity to hold township leases. However, to date this has not occurred and the office of the executive director is being established on an interim basis pending the establishment of a Northern Territory entity. If—and it is a big ‘if’—and when this occurs, the township leases would be transferred to the Northern Territory entity and the office of executive director would be abolished.

I commend this bill to the House and congratulate the Minister for Families, Community Services and Indigenous Affairs on seeking to create real generational change for Indigenous people in the Northern Territory which will give Territory Aborigines the chance to have opportunities like other Australians.

Nguiu on the Tiwi Islands is the first community to take advantage of 99-year leasing, which offers the chance of private home ownership and business enterprise development on Aboriginal land. The 99-year lease over the township on Aboriginal land will be held by the new Commonwealth statutory officer, the Executive Director of Township Leasing, which will issue sub-leases, collect rent and administer the head-lease.

The issues go beyond Aboriginal land under the Aboriginal land rights act. Earlier this month, the federal government urged Tangentyere Council in Alice Springs to reconsider its decision to turn down the federal government’s offer of $60 million to upgrade town camps in Alice Springs. Tangentyere should accept the offer. There is an urgent need to improve conditions in Alice Springs town camps and to impose the rule of law on areas one of my parliamentary colleagues described as ‘ghettos of despair’. Town camps have become associated with Third World living conditions, poor hygiene, extreme violence and alcohol and child sexual abuse.

The Territory Labor government has done too little since 2001 to remedy this situation or to improve the lot of Aboriginal town camp dwellers. Its response was a task force report—the Alice Springs Town Camps Task Force report, it was called—which was published in 2006. It reviewed infrastructure, services and living conditions in town camps. The report highlighted the urgent need to bring power, water, sewerage, roads, rubbish and rates into line with standard arrangements for other parts of the town. This will build a healthier and safer community for residents of the camps, as will the proposed alcohol courts. All town camps have historically experienced poor infrastructure and service provision. The dual impacts of high demographic growth and regional mobility have created a crisis. High visitor numbers, overcrowding and a lack of alterna-
tive accommodation options are putting substantial pressure on town camp residents, infrastructure, Tangentyere Council and the wider Alice Springs community. The report’s recommendations include standardising municipal services, upgrading and maintaining infrastructure, addressing visitor accommodation needs and upgrading the existing housing.

Town camps are small communities made up of family members or members of the same language groups. The majority are permanent residents. Many are now third, fourth or even fifth generation who live in these camps. Many of the visitors to those groups tend to stay for extended periods and this causes serious overcrowding in many camps. The federal government has proposed providing short-term accommodation visitor sites, using transportable houses to combat this problem. The current bill under consideration and a number of other federal government initiatives offer a normalisation solution for town camps and communities, in contrast to the neglect shown by the Northern Territory Martin Labor government. No one can reasonably deny the need for the wholesale renovation of town camps. Their squalor has no place in contemporary Australia. There are 19 legally established camps in Alice Springs and two camps are without leases. With regard to Tangentyere Council, the key requirement of the proposal on the town camps was to sublease to the Territory government and to transfer houses to Territory housing. This would allow homes to be properly managed as well as provide private home ownership opportunities. This is an essential element in normalising town camps. The leases being transferred do not represent traditional lands, only special purpose leases granted to legitimise occupation of the camps.

The release last week of the third Overcoming Indigenous disadvantage report has reinforced the need for a generational change approach to tackling Aboriginal issues in the Territory. Just about every indicator shows that Aboriginal Territorians are well below the national average in terms of disadvantage. While some progress has been made in achieving falling rates of infant mortality and increasing educational opportunities, more has to be done. Indigenous housing is one area which needs improvement, and a new local government model that will improve governance and service delivery is urgently needed as well. The amendment bill before us today must be seen in the context of the Aboriginal Land Rights (Northern Territory) Amendment Bill of 2006, passed in August last year, which provides more choice and opportunity for Aboriginal people in the Northern Territory and allows them to realise the economic potential of their land.

The amendments to the Aboriginal Land Rights (Northern Territory) Act will allow changes to land tenure in Aboriginal townships, streamline processes for land development and raise performance and improve accountability of land councils and royalty bodies. It will foster economic opportunities for Aboriginal people through a new, streamlined procedure for exploration and mining on Aboriginal land. Land councils will be funded on their performance and outcomes. If traditional owners wish to, they can give individual property rights to other Aboriginal community residents, not necessarily Aboriginal people, through long-term leases. The leasing arrangements will ensure that traditional owners are paid appropriately for the use of their land. The reform to the land rights act will help create future opportunities for Aboriginal people. These amendments allow for 99-year leases, which will make it easier for Indigenous people to own a home or establish a business or enterprise in Aboriginal townships. People will be assisted to buy their home through funding
available from the Home Ownership on Indigenous Land Program, which provides low-interest loans and other assistance. Leasing provisions and the conditions of the lease are entirely voluntary for traditional owners. The rights of traditional owners are maintained and the land will remain inalienable Aboriginal freehold title. Unlocking the economic potential of Aboriginal land will benefit all Territorians.

To put this current amendment bill in context, let me talk a little about the Aboriginal Land Rights (Northern Territory) Act. It was passed by both houses of the Commonwealth parliament and imposed exclusively upon the Northern Territory in 1976. At the time, pressure was building for land rights and the political climate was ripe for change. In the Northern Territory, the Aboriginal stockmen of Newcastle Waters and Wave Hill had walked off the job, demanding equal pay. It was a strike that struck a deep chord in the Australian psyche and became symbolic of Aboriginal dispossession when the Gurindji at Wave Hill turned the pay dispute into a demand for the return of their land. I argued some years ago in a paper to the Bennelong Society Conference that the Aboriginal land rights legislation is in a sense a rights act, not a land management act. It was about putting things right, about appeasing the national conscience and international opinion in the only place that the Commonwealth could, in the Northern Territory. I argued that it was not about good land management, land administration or planning for the future exploitation and productivity of the land; it was about the protection of land as a right, the preservation of culture, defending Aboriginal people and their land from the intrusion of outsiders, be it pastoralists, miners, tourists or anyone without a permit—even their own future government. The land rights legislation has left the Territory a legacy that has soured relations between the Northern Territory government and the land councils ever since. To defend the rights of Aboriginal Territorians, the act stipulates that the Territory parliament could not acquire Aboriginal land for public purposes for fear that a Territory government would repossess Aboriginal land en masse. So the legislation was imposed exclusively from above.

Today, almost half of the Northern Territory is under Aboriginal title. The Commonwealth act prohibits any compulsory acquisition of land under the act by the Territory government. The power of the land councils has grown in equal measure. Land council administration costs have eaten up mining royalty moneys, and whatever little is left has gone to some benefit of Aboriginal people in the Northern Territory.

But, despite this protection, many Territory Aborigines today are land rich and dirt poor, trapped in a welfare dependency status. The reality is that it is difficult to find a functional Aboriginal community anywhere. The federal Indigenous affairs minister has highlighted this problem in the past year or so. Sexual assault, domestic violence and other violence, antisocial behaviour and drunkenness are all too common today in many communities. The Howard government wants to break that cycle of despair; it wants to encourage land councils to work proactively towards engaging Aboriginal people with private enterprise and economic development.

Some years back, the then minister for Indigenous affairs, Phillip Ruddock, produced an options paper for the future of the land rights act. One option was repatriation of the act to the Northern Territory government. It would have meant at least some control by the Territory government over 50 per cent of the lands in the Northern Territory. As history shows, the offer was ignored by the Northern Territory government and Chief
Minister Clare Martin, and by the land councils. I believe it was a missed opportunity.

The land rights act has failed because, while it has created Aboriginal owned land, it has also reduced Territory Aboriginals to a welfare dependency status. The royalty flow from mines located on Aboriginal land has been used by land councils to fund the administration costs of a powerful bureaucracy, and an elite Aboriginal leadership has emerged. Moneys have been distributed to select groups and individuals on a grace-and-favour basis, with little flow down to those at the bottom. Decision makers in the royalties distribution business have in many cases been beneficiaries themselves in the process.

I argued at the Bennelong Society that the land council system should be disbanded and replaced by a regional trust, with royalty moneys flowing directly to those trusts. My view is that the Aboriginal Land Rights (Northern Territory) Act should be repatriated to the Northern Territory as soon as possible, basically with its current provisions but with the Commonwealth installing safety clauses to guarantee some of its provisions as it sees fit. I know this is easier said than done. In the Territory, the Commonwealth has played the role of protector of Aboriginals, formally adopting the role after the 1967 referendum—of which we celebrated only two weeks ago.

The land rights legislation sets out to provide Territory Aboriginals with community ownership of traditional lands and protects that ownership through land councils, land trusts and a court of land commissioners. The Commonwealth specifically excluded the Territory government from doing anything to interfere with its newly created process, except as an applicant to land title hearings. The lands right act sought to establish a sanctuary where Aboriginals would be able to return to hunting and foraging on their newly acquired land and to reassert their spiritual link to the land.

Of course, the reality has been far different and today a different model is far more appropriate. This amendment bill is one more step towards simplifying the arrangements for established traditional owners to enter into lease arrangements or joint ventures that would allow mining, pastoral, tourism and other private enterprises to proceed. These reforms are a result of almost 10 years of consultation between the Australian and Northern Territory governments, land councils and Indigenous communities.

As I said last night, the Aboriginal people to whom I speak are not that different from the rest of us. They want jobs and they want the opportunities that jobs provide. They want schooling for their children, access to good health services, proper roads in their communities and rubbish collection. They want access to a whole range of services that are provided by the private sector. In very few places—in fact, I know of none—in the Northern Territory can you go into an Aboriginal community and see a market garden, a butcher shop, a hairdresser, a bakery, or any of the other things that we take for granted in mainstream Australia.

Aboriginal people in the Northern Territory want access to those services just like the rest of us do. For too long it has been too hard for business to establish itself. Businesses have not had the opportunity to set up on Indigenous land, and they should be given that opportunity not only for the commercial profit to be made in some of these ventures but also, and most importantly, to give Indigenous people in the Northern Territory access to the same services that those of us in the wider community in Australia tend to enjoy. I support the bill.

Mr MARTIN FERGUSON (Batman) (9.29 am)—I welcome the opportunity to
speak on what I regard as an exceptionally important bill, the *Aboriginal Land Rights (Northern Territory) Amendment (Township Leasing) Bill 2007*. In doing so, can I say we all want action, but we must make sure that we get it right. We must make sure we take the Indigenous community with us, rather than set up at some point in the future yet another confrontation. We have to engage the Indigenous community and finally start to get this right so as to ensure that we make fundamental change where it counts. In that context, this is a controversial bill within Indigenous communities in the Northern Territory. It is therefore important that we step back and try to work out a negotiated outcome, rather than the government imposing a temporary fix just to get through the forthcoming election.

I say to Minister Brough that people such as Willie Tilmouth in Central Australia know better than him when it comes to local Indigenous issues. They are more concerned with business and commercial development than most people in this House. They have been cutting deals with the private sector for most of their lives to try to do the right thing by their local communities. They are capable of negotiating a settlement that is long lasting. That is what this debate should be about, not a temporary fix for short-term purposes for political reasons.

The bill is an interim measure to establish an Office of the Executive Director of Township Leasing, to hold 99-year leases over townships on Aboriginal land in the Northern Territory. We should not forget that it is Aboriginal land in the Northern Territory and it goes to the question of 99-year leases. How will we actually encourage and attract economic investment which is a secure investment for the private sector in partnership with the Indigenous communities, so that we all benefit from such investments? We believe the intent of the bill is important, but we also think it is about time the Howard government did the hard yards to guarantee that we bring the Indigenous community with us. It is appropriate that some criticism be directed at the Northern Territory Labor government because I think they should be doing a better job of engaging the Indigenous community in the Northern Territory. They have also played race politics from time to time to suit their own political needs, just as the Howard government is doing at this particular time.

Many Indigenous communities are clearly supportive of the 99-year lease concept but they are not prepared to cede control of their land to a bureaucrat from Canberra. They support the principles but, just like anyone else in the commercial world, they want to negotiate with the Commonwealth and Northern Territory governments about the nature of the entity in which the leases will be vested. As shadow minister for transport, 99-year leases remind me of a similar concept going to the operation of airports around Australia. The private sector, in taking over responsibility for our airports around Australia on the basis of 99-year leases, expects to be properly consulted and to have the right to negotiate the terms and conditions of those leases. Why is it now suggested by the Howard government that it is different for the Indigenous community but it is all right for the Macquarie Banks of this world and the major superannuation funds to have the right to negotiate issues when it comes to the operation of commercial leases of a 99-year nature on airports? I personally believe this is a reasonable expectation, but unfortunately the Howard government is not patient enough to do the job properly.

Having said that, the Labor Party clearly accepts, as the opposition, that the townships need to be fixed. We have just celebrated the 40th anniversary of the political enfranchisement of Indigenous people. I must say,
it is a rather hollow celebration. Even in the last few years, since proper measurement of social and economic indicators commenced for Indigenous Australians, we have gone backwards, not forwards, in too many areas. The Indigenous rate for kidney disease was five times as high as the non-Indigenous rate in 2001, but in 2004-05 it was much worse—10 times as high. Between 2002 and 2006, the imprisonment rate for Indigenous women increased by 34 per cent and the imprisonment rate for Indigenous men increased by over 20 per cent.

Forty years on from the 1967 referendum, the life expectancy of Indigenous people is still around 17 years lower than that for the total Australian population. Death rates in all age groups are higher for Indigenous people than for non-Indigenous people. For those aged between 35 and 54 the death rate is five to six times higher. And the record gets worse. Twenty-one per cent of 15-year-old Indigenous children are not participating in school education compared with five per cent of non-Indigenous children. Indigenous students are half as likely as non-Indigenous students to continue to and complete year 12 or to complete a post secondary qualification of certificate level III or above.

The unemployment rate for Indigenous people is about three times as high as for non-Indigenous people but the Indigenous labour force participation rate is about three-quarters that of non-Indigenous people. Gross weekly household income in Indigenous households is just over half of that for non-Indigenous households. More than half of the Indigenous people received most of their individual income from government pensions and allowances, followed by salaries and wages at 34 per cent and CDEP at 10 per cent.

About a quarter of Indigenous adults live in homes owned by or being purchased by a member of the household compared with three-quarters of non-Indigenous adults. Indigenous children are nearly four times as likely as other children to be the subject of substantiated abuse or neglect. This is an area of shame for all of us, for the Indigenous and non-Indigenous communities in Australia, with the rate of substantiated notifications increasing across the board in the first years of the 21st century.

The Indigenous community might have the vote but what else do they have? Here we are debating about not having proper consultation or negotiation and about us in this elite House in Canberra imposing our will yet again on the Indigenous community. When it comes to Indigenous communities, it is clear from all these indicators that political freedom has not delivered economic social freedom and wellbeing. Without a job, the right to vote is not worth that much. I must say I find myself agreeing with the Prime Minister on one thing when he said:

The human value of having a job, the sense of self-worth and esteem it brings is incalculable.

We are concerned about employment because having a job puts food on the table, it makes homeownership possible, it puts shoes on kids’ feet, it pays for school uniforms and school books and it even opens up the possibility of having a holiday. But having a job is also about a sense of pride in yourself, your family and your local community. It is about building a future for families and local communities. That is why improving access to jobs, training, education and housing is the key to closing the gap between the quality of life of Indigenous and non-Indigenous Australians once and for all. Yes, it is about economic development, but it is also about making sure the Indigenous communities are involved in the decision making. That goes hand in glove with the decisions of the private sector to engage Indigenous communi-
ties in sustainable, long-term economic development.

There can be no progress for Indigenous communities without economic integration and without policy reform. We also contend that township leasing is part of that reform. But to pursue this we have to get it right and take the Indigenous communities with us. It has to be done properly, not by coercion, bullying and threats—as has been claimed by Alice Springs communities. Both the Commonwealth and the Northern Territory governments must put the effort into bringing the communities along with them and recognise that negotiations are a legitimate and necessary part of the process of reform. It is about emancipation and encouraging Indigenous communities to make decisions in their own best interests and in the interests of Australia as a nation.

Part of the 99-year lease negotiations must include proper documentation setting out the rights and obligations of the parties, not just a promise by the minister saying, ‘Trust me, I’m from Canberra.’ The truth is that governments come and go, ministers come and go and secretaries of departments and people in the field, with the best will in the world, come and go. We want to sustain this process and to do so we have to make sure that the Aboriginal communities that are expected to survive as a result of the process are part of the decision making. That means the process will be locked in because they own the outcome of this decision-making process.

I am hopeful that, with patience and a willingness by government to engage, an agreement can be reached for the Tangentyere Council in trying to work out the lease problem. It has to be a two-way street. The minister has his view of life, but life is about compromise. It is no different to industrial relations, commercial negotiations or even sitting down at home with one’s family. You can never have your way all the time. To get a sustainable outcome one has to be prepared to compromise and take people with you. That is the key to long-lasting sustainable development in Indigenous communities in the future, something that we all desire. Without that investment and the creation of jobs we will not be able to overcome the social problems that I have alluded to today. In recent years we have gone backwards on all the available social indicators—be it life expectancy, health, education or employment. The House knows it as well as I do. These are issues that are confronted by people in places such as Alice Springs from morning through to night. Everyone in Alice Springs wants solutions to these problems, not just the Indigenous community.

The memorandum of understanding reached with the Tiwi Island community of Nguiu is a good first step, but more has to be done. The landowners themselves have appropriately made the decision. They are confident that Nguiu will remain a Tiwi town and that the social and economic future of their people will be improved by entering into these new arrangements. They were capable of making these decisions. Traditional owners will retain underlying title to the land under the agreement, which includes the provision of 25 new homes and an additional $1 million in health initiatives. But divisions remain within the Tiwi Island community and every effort must be made to address those in determining the final lease agreement. Let us step back and try and do what is necessary to take the whole Tiwi community with us as one. If we go forward divided in the Tiwi community, at some point in the
future a cancer will eat into the agreement and undermine sustainability.

Similarly, the Wadeye community—better known by some as Port Keats—is a community in great need. It is a community with huge social and housing problems. There is high unemployment. At long last there has been better attendance at school, but that raises serious questions as to whether the Commonwealth money allocated to some of the Indigenous community schools is being appropriately accounted for and spent in Indigenous communities. I await the decision of the human rights commission on that matter. It is extremely important to make sure that taxpayers’ money is spent appropriately on education in Indigenous communities rather than being creamed off for some of the major townships in the Northern Territory where there are fewer Indigenous people engaged in education.

It is now a little over four years since a shared responsibility agreement between the Commonwealth, the Northern Territory and the Thamarrurr Regional Council was signed to trial a new approach to the delivery of services to Indigenous communities based around the principle of mutual obligation. It sounds a little bit like the Labor Party’s concept of mutual responsibility with respect to employment. We are prepared to invest in education and training to get people job ready, but they also have to accept their responsibility to take jobs on offer. It is about making sure that they give something back to the Australian community in return for the investment of taxpayers’ money.

We also have to accept that we need consultation. In a consultant’s evaluation to the Australian government in May last year—three years after the agreement was signed—it was stated:

With regard to housing, the community has seen 4 houses for indigenous occupants built over a period of three years. During that same period some 15 houses were made uninhabitable for periods of up to three months through gang violence and an additional 200 babies were born into the community. In these circumstances, there is little prospect of the chronic overcrowding being reduced in the foreseeable future despite the efforts being made under the COAG trial. Overcrowding is the most frequently identified cause of ill health within Wadeye.

The report went on to say:
The future of housing and other developments at Wadeye will be dependent upon the claims by the traditional owners of the town site, the Kardu Diminin, being recognised and resolved through the granting of appropriate land tenure arrangements ... the traditional owners of the town area have indicated that until their land needs have been appropriately recognised and dealt with, they will not approve any further house blocks or town development at Wadeye.

This is an issue that clearly has to be resolved. It is up to all parties, including the Indigenous community, the Commonwealth and Northern Territory governments, the Diminin and the NLC, to sit down and get it fixed once and for all. The community is not opposed to the concept of a 99-year lease and the principles of mutual obligation, but equally they are not prepared to simply hand over control to Canberra.

The Howard government has attached its Indigenous housing program to a condition of ownership being transferred from local communities to state or territory housing authorities, or being made available for purchase by individuals. The objective is to cut out Indigenous run housing corporations, many of which the government believes are corrupt or inefficient. I simply say to the minister that we must not throw the baby out with the bathwater. If we are to empower Indigenous people with control of their own future we cannot leave them without ownership structures. There must continue to be a role for them in the lease entity.
This year will see a record $3.5 billion in spending on Indigenous specific programs. Let us make sure it is money well spent. It must not be squandered, but the fact is that it will be if we cannot get the support of Indigenous communities through their own involvement in these programs. Housing is obviously one of the most important priorities but so is the creation of real jobs and real enterprises, like the Tiwi Islands forestry venture. That takes me to the issue of Great Southern Plantations, which is delivering real jobs and real income for the Tiwi community. On the latest figures I have, out of a full-time workforce of 58, 29 Tiwis work for Great Southern Plantations already, which I think is a tremendous achievement and somewhat akin to the achievement of Rio Tinto at Argyle in the diamond industry—real jobs for competitive wages and not CDEP or dole pittances. These people are now emerging as the leaders of these communities because of their employment status. This is where we have to go: a partnership between the private sector, all tiers of government and the Indigenous community.

I raise the issue of forestry in the climate change debate because I think that is potentially an area of real progress in Northern Australia. The area of Port Keats and Wadeye has been identified for potential plantation development. Building on the success of Tiwi, we should be pursuing further plantation developments in Northern Australia. The Indigenous communities want it. They understand the issue of climate change and the potential benefits from the greenhouse debate—carbon sinks and the creation of sustainable jobs for the Indigenous community in tending to those forests. I urge the government to encourage this type of investment side by side with education and training. That will do something about overcoming Indigenous disadvantage, creating jobs and real wealth for future Indigenous communities. I know that is the desire of the Indigenous communities; I have spoken to them firsthand about that in recent times. It is also the desire of the forestry division of the CFMEU, led by Michael O’Connor, and of many business houses in their desire to be seen to do something on climate change and to do something firsthand with Indigenous communities in the Northern Territory on this front. It is about economic and social empowerment, and it is about ending welfare dependency.

The opposition opposes this bill and calls on the government to develop an appropriate structure for the entity holding 99-year township leases—one that includes representation of traditional owners. It is not a big ask. Let us take the Indigenous community with us. This bill goes too far in taking away their rights and weakening the empowerment that comes with them. Only then will we get sustainable economic development in the Northern Territory and in other Indigenous communities, because the Indigenous communities, through their involvement, will feel ownership and a commitment to the final outcomes. Canberra imposing its will represents a further potential disaster in the future. Step back, pursue negotiations and get the right outcome—a potential long-lasting, sustainable outcome which improves the social indicators. (Time expired)

Mr MELHAM (Banks) (9.49 am)—I rise today to speak to the Aboriginal Land Rights (Northern Territory) Amendment (Township Leasing) Bill 2007. I am pleased that the ALP will be opposing this bill. Professor Mick Dodson, when delivering the Mabo lecture in Cairns on 7 June, had something to say which I think is worth quoting to the House. He said:

- Indigenous people all over the world understand that it is a constant and continuing battle to retain our land rights, to exercise our responsibilities for the land and waters, to prac-
tice our culture and languages, to build our families and communities, whether in the cities or in the bush, because we are the first peoples—this is our country and we must defend it. And as its the Traditional Owners who ought to decide who comes here, onto our land, and we should say so more often, because the consequences of sharing our country with the colonisers are devastating. And I know we can’t kick them out but is it too much to expect a fair go.

After 11½ years the Howard government has had a chance to show its record on Indigenous affairs. Unfortunately, it is a sad record and one that will haunt this Prime Minister to his grave when he eventually leaves this parliament, voluntarily or involuntarily. In the first budget in 1996 we saw $400 million ripped out of the Indigenous affairs budget—it was a budget that slashed across the sector. On the 40th anniversary of the 1967 referendum what do we see in relation to Indigenous health? Twenty-four per cent of Aboriginal men reach the age of 65 and 35 per cent of Aboriginal women reach the age of 65. And we call ourselves a civilised country!

That is why Aboriginal people in many respects are wary about governments of whatever political persuasion. Their history of dealing with Aboriginal people has not been good. It has been paternalistic. It has been patronising. It has not been sitting down in the sand with them and talking to them and working through what are very hard issues. When I was Aboriginal affairs spokesman, from 1996 to 2000, it was an eye-opener for me. I had not appreciated the extent of the problems in my backyard. It was not until I sat down with Indigenous people and talked to them that I realised that they too were concerned with what was happening with their communities, but they wanted to be part of the solution. Self-determination, self-empowerment, meant working with them, not hectoring them, not lecturing them, like this government seems to have done for more than 11½ years. This legislation is another example of that. What is it designed to do? It is designed to steal their land, to impose our conditions on them, to set conditions before they obtain benefits that everyone in the city obtains. In my electorate, if we tried to withhold the benefits of health, housing and other essential services on condition that householders surrender their leases or their land to the control of some other entity, or if they were required to give away their individualism, all hell would break loose. But it seems to be acceptable when it comes to Aboriginal people.

I was part of a bipartisan report from the House of Representatives Aboriginal affairs committee under the chairmanship of Lou Lieberman, who is no longer in this House. We talked about the Aboriginal land rights act and said: no changes unless there was the informed consent of the Aboriginal people. That recommendation was unanimous. It has not been considered by this government in the spirit in which the recommendation was given. Former Prime Minister Malcolm Fraser deserves credit for picking up the land rights act that the Whitlam government proposed and passing it in 1976. That is what makes him markedly different from this Prime Minister. What we have is the member for Solomon saying, ‘Let’s hand it all back to the Northern Territory government.’ I would not trust the Northern Territory government as far as I could throw them, whether they were Labor or conservative, because both have an attitude when it comes to Indigenous people. It is an attitude we should not accept. The argument against the member for Solomon is exactly what he quoted in his speech: the 1967 referendum, which gives this parliament the constitutional authority, the legal authority and the moral authority to protect Aboriginal people from the states and territories. That was the mandate that was given to this parliament by the people in 1967.
In the second reading speech the Minister for Families, Community Services and Indigenous Affairs stated:

- The government is therefore acting to establish a mechanism through which the Commonwealth can hold and administer township leases.

Sadly, as I said, we are again debating legislation that works from the premise that the Commonwealth determines what is appropriate for Indigenous communities. What I say is that we work with Indigenous communities. When I was the shadow minister I was their advocate; I did not advocate against them. What we see here is an assimilation principle of previous years underpinning Commonwealth legislation; we see the whitefella deciding what is good. We are not the same—we have different values, we have different hopes, we have different aspirations. To try and run a policy on the basis that we want to make them like us is a policy that is doomed to failure, as the stolen generations report showed: when we took the children to try and make them like us, and destroyed communities and families, and impacted in such a way that even today there are devastating effects. And we cannot get an apology from this Prime Minister on what was official government policy at the time. Every state and territory leader has apologised. The sky has not fallen in.

If I seem too harsh, then consider the report which prompted this legislation: *Living in the sunburnt country*. This report was prepared on behalf of the Department of Families, Community Services and Indigenous Affairs by PricewaterhouseCoopers. One does not have to go past the first few pages to realise the likely outcomes. Pages 11 and 12 identify the consultations conducted between May and August 2006. Of 46 organisations specified, seven were identified as industry groups, 11 were identified as Indigenous groups and 28 were identified as government groups. I repeat: 28 were government and only 11 were Indigenous. There can be no real doubt about how the outcomes of the report were going to be skewed. The government appears still, after all these years in office, not to understand the need for proper consultation at grassroots level with Indigenous communities. I know it is hard at the moment because Indigenous communities are doing it tough and a lot of them are coping it from their communities. They are under siege in a very difficult environment and morale is low. Why? Because we have got a government and particularly a minister who loves to run out and blame the victim. That is the minister’s approach to life: to go on current affairs programs and run his public policy through *Lateline* and other programs. We know there is a problem there, but that is no way to run public policy.

In terms of the financial impact of this legislation, the explanatory memorandum states:

The costs of the office of Executive Director of Township Leasing will be met from up to $15 million to be provided over 5 years, from 2006-2007 to 2010-2011 for the township leasing scheme.

And note this:

The necessary funds will be sourced from the Aboriginal Benefits Account.

Aboriginal money is being used without consultation with the Aboriginal community. It reminds me of a number of programs this government announced and ATSIC was forced to foot the bill, dollar for dollar. There always was a cost to the Aboriginal community of a new announcement by this government: it was coming out of their purse. In the 2006-07 budget the key reform announced in relation to Indigenous Affairs involved additional funding for Indigenous housing of $293.6 million—funding which would provide about 730 new homes in remote areas. That was welcome. It is currently estimated
by the Ministerial Council for Aboriginal and Torres Strait Islander Affairs that there is a current shortfall of up to 18,000 houses. This is in addition to the backlog of repairs and maintenance, estimated to be in excess of $700 million. The budget papers also revealed underspending of $60 million in the current Indigenous housing program for 2006-07.

According to Professor John Altman of the Centre for Aboriginal Economic Policy Research at the ANU, the new Remote Indigenous Accommodation Program has three aims:

... to shift Commonwealth expenditure to focus on remote Australia, where only 25% of the Indigenous population lives; to abolish the Community Housing and Infrastructure Programme—

I always thought that it was a reasonable program and operated well—

and to shift or force Indigenous people instead into public housing (thus cost sharing with the States) or into private housing, conditional on traditional owners leasing their lands to the state and meeting negotiated behavioural conditions.

Professor Altman also points out that in this year’s budget the government announced it would assist Aboriginal people to buy their own homes to the tune of $300 million over four years. The same budget allocates $863.8 million to members of the ADF as financial assistance for home ownership through a subsidy for interest payments. Do not get me wrong: I do not in any way begrudge the ADF, but I make the point to illustrate where this government sees Indigenous people in its priorities. Indigenous people are entitled to and deserve more in terms of the problems with their communities. We cannot have a patchwork approach.

Inevitably, there is more than one side to any argument and, from my experience with the Indigenous community, I can categorically state that those views are considered and clearly articulated. I am impressed with the leadership of the Aboriginal community and I am impressed with the young people coming through. The sad part is that, for a long time and still now, this Prime Minister and government did not engage with a section of leadership of the Aboriginal community because they saw them as being too close to the previous Labor government. That is how this government dealt with them. The fact of the matter is that the government should be dealing with all members of the Aboriginal community who have an interest in their community. We should be mentoring the leaders and bringing them through, irrespective of their political persuasion.

There should not be a situation where, if you happen to be a blackfella who sings the government song, the government looks after you, but if you are a blackfella who does not sing its song you are not engaged with. That is the attitude of this government. That is what happened to a number of investigations of organisations within the Indigenous community. The dogs were set on community organisations because they were not aligned or sympathetic to the government; they were independent of the government. In the end they went belly-up because it was impossible to resist.

In the current debate over Indigenous town leasing, there is more than one view. Early in May this year the Aboriginal community of Nguiu in that Tiwi Islands signed up to the government’s private home ownership scheme. This is on the basis of a 99-year lease. The Commonwealth provided $5 million as a lump sum payment to control the land for the next 15 years. The minister described this as a type of cash advance.

The agreement will be recouped, according to a report in the Australian on 10 May, ‘through rental payments from sub-leasing over that 15-year period’. In addition, the
Nguiu will receive $13 million for a high school, 25 new homes, better health services and an upgraded football oval. A senior Man-tiyupwi landowner, Walter Kerinauia, is quoted in the same report as saying:

The negotiations have not been easy, and we have stood our ground on a number of important matters. But we are now confident that Nguiu will remain a Tiwi town and that the social and economic future of our people will be improved ...

The ABC’s PM program reported on 17 May that not everyone in the community was happy with the outcome. Traditional owners at Nguiu agreed to the government’s proposal, but those who were not traditional owners were reported to be unhappy with the decision. One resident said on the PM program:

I know there’s still a lot of unrest in the community especially with the Retipi group. Yeah, we’re just a bit concerned that we might be rushing a bit.

In Alice Springs we saw the opposite reaction—residents refused to sublease their land in return for $60 million. The Weekend Australian reported that Tangentyere Council had rejected the deal because ‘residents would not have had any say over how housing would be managed’. While being described as ‘deeply disturbed’ by the decision, the minister spoke of his concern about behaviour in the Alice Springs town camps and the impact that had on township children. He then took the $60 million off the table. The Melbourne Age reported on 24 May 2007:

... Mr Brough said the government would not spend the money unless the residents subleased the camps to the Northern Territory Government for 99 years and gave up control over public housing in the camps.

On 18 April 2007, Tom Calma, the Aboriginal and Torres Strait Islander Social Justice Commissioner, released a statement to be made on his behalf at a general meeting of the Tangentyere Council. The council met that night to consider the government offer on town leasing. It is worth quoting some of Mr Calma’s comments in detail:

Our land is our most important asset, and maintaining a voice on how the land should be utilised and developed is integral to our self determination and to our futures. Changes in tenure will have a long term impact on our communities and are not easily reversed once done. They should not be done lightly, and indigenous peoples must fully understand the implications of any changes.

Mr Calma continued by raising his concerns that the government was insisting on changes to land tenure arrangements in order to ensure that investment in services to the community would continue to be provided. Mr Calma concluded his statement by saying:

And you have my full support in ensuring that both the NT and Australian government meet their human rights obligations in providing services to your community, as is your right as a citizen of this country. And this means without coercion.

I am profoundly disturbed by these comments and the trend which may be emerging to coerce Indigenous communities by withholding funding for services if land leases are not granted. At the annual session of the UN’s Permanent Forum on Indigenous Issues concerns were voiced about this government’s plan to introduce private homeownership on traditional lands. Mick Dodson said that it was a ‘take it or leave it’ plan which was designed to benefit non-Aboriginal people. Mr Bryan Wyatt, of the National Native Title Tribunal, supported Mr Dodson’s position and reinforced his views by saying that the Tiwis had been conned into signing away management control of their communal lands for four generations in exchange for homes and services that the government provided other citizens without such preconditions.

It is valuable in debating the legislation today to consider analysis on the issue of individual land title provided by Tom Calma
in the *Native Title Report 2005*. Commissioner Calma discusses the experience of the World Bank. In some developing countries there were trials of individual title over communal title primarily in the 1970s. He states on page 120:

The World Bank experienced difficulties in achieving outcomes under the individual titling approach to economic development. According to empirical economic research, the results exposed high costs, few benefits and in Africa, where farming prospered, it appeared to do so within the framework of customary rights, kinship and social contracts.

The commissioner noted that a key value element of the World Bank approach is the agricultural use of land, which is not necessarily the case in remote Australia. The World Bank experiment does, however, provide important lessons for the Australian experience. Quoting from the World Bank 2003 report, Mr Calma concluded:

> The World Bank has taken the view that tenure security is vital to promoting economic development; however the nature of that security is not necessarily tied to formal individual title.

Commissioner Calma says the World Bank acknowledges customary title as a means of facilitating economic development, and recently noted that, subject to minimum conditions, customary title is generally more effective than premature attempts at establishing formalised structures.

This debate still has a long way to go, and without close and meaningful consultation with Indigenous communities it will be meaningless. On 23 June 2005, the *National Indigenous Times* hypothesised that it is not impossible that this government is considering ‘unpicking Aboriginal land rights’. Professor Mick Dodson, in a media release on 7 June took this further when he said:

> My argument is that we are getting slaughtered by the colonial imperative to steal our land, to strip our culture and demoralise us as peoples and nations ... we must defend our identity and our inheritance in the land and sea.

The tragedy is that all the government want to do can be done, but it needs to be done with the Aboriginal community, in cooperation with them, taking them with them, bringing them through the process, not hectoring and lecturing and taking an assimilationist approach, not ignoring their pleas, and not adopting a take it or leave it attitude. Nowhere else in our community would we as representatives of our community cop that for our community. Self-determination is about making your own decisions, proceeding with the help of government; not government attacking you day in and day out.

**Mr GARRETT** *(Kingsford Smith) (10.09 am)*—I want to strongly commend the remarks of my colleague the member for Banks and acknowledge his long-term commitment and contribution to Indigenous people both by service in this House and also more broadly through his advocacy in the Australian community, and reinforce his closing remarks about the need for this government to come to the negotiating table with Indigenous people on the basis that they will be listened to and that their rights and interests will be acknowledged. Labor oppose the *Aboriginal Land Rights (Northern Territory) Amendment (Township Leasing) Bill 2007*. We continue to have significant concerns over the 99-year leasing model that is proposed under section 19 of the act. In the course of this entire debate we have certainly been saying to the government that they need to pause and take stock of the approach that they are currently in the middle of and recognise that there are significant interests, particularly in relation to traditional owners and to the Aboriginal communities affected, which need to be given better and due consideration.

In the budget this year the government brought down a number of initiatives for
Indigenous people, some of which were well received. But there was one that I want to make particular mention of and that was the provision of funding for housing. The CHIP review has found a shortfall cost for maintenance alone of some $705 million a year and an underspend. In fact not only are there insufficient funds to deal with the shortfall and the lack of Aboriginal housing but, in addition, the amounts of money that have been identified have not been properly allocated. This is the context in which we debate these amendments in the House today. All Indigenous housing money needs to be particularly focused on the fact that the housing shortfall and crisis in remote and urban areas—but certainly in remote areas—have become more chronic as each year passes, and it is of great regret that the Commonwealth State Housing Agreement funding has not been increased in order to meet that responsibility.

So in that context we see proposals from the government to amend the Aboriginal land rights act and in particular to provide for a 99-year leasing model ostensibly to deal with the issues that have arisen concerning both the quality and availability of housing and also the questions of economic development in communities. Labor recognise and acknowledge that there are significant issues attaching to ongoing sustainable economic development in Indigenous communities, particularly remote communities. That has been said on many occasions in this House. But we do not accept the model that has been put forward by the government and, in particular, this amendment bill that has come into the House today.

When the House considered the first tranche of amendments to the Aboriginal land rights act in June of this year we were guillotined in the House. We certainly said at that time that we recognised that there was a need for reform and improvement. But I note that the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs Unlocking the future report considered questions of necessary consent and notices that ought to be given when amendments to legislation—which are so important to Aboriginal people and particularly to traditional owners—are being brought forward by the government. In particular the committee identified two absolutely crucial and critical considerations: firstly, that the traditional owners’ understanding of the nature and the purpose of amendments and their giving of consent are absolute prerequisites and, secondly, that any Aboriginal communities or groups that may be affected need to be properly and adequately consulted and given sufficient opportunities to express their views prior to any final determination being made.

The Aboriginal Land Rights (Northern Territory) Act 1976 was amended in the House to facilitate 99-year leases. It was our view that these amendments represented some of the most significant changes to the act since its original enactment some 30 years ago. We noted at that time—and I spoke about it in the House—the significant contribution of both the Whitlam and the Fraser governments in getting the original land rights legislation up and running. In particular, I then noted the hurried and rushed way in which the government was approaching the amendments at that time. The debate was guillotined and a Senate committee was given one day to conduct a hearing, which even government members agreed was inadequate. This was really a complete betrayal of the principles of the act, which require adequate and comprehensive consultation, and did not allow the parliament significant opportunity to properly assess the implications of those amendments.

I note that the Reeves report and the reviews that were undertaken at the time continually threw up an objection which pertains
to the amendment that we have in front of us. For Indigenous people in communities, particularly traditional owners who exercise great responsibilities over land and where issues of economic development and of occupation and ownership of land are highly critical and sometimes highly divisive, it is essential that there be adequate and proper consultation and that any proposed measures are not rushed through. In fact, the complete opposite has happened in the history of the amendments to this act and it is happening here again today as we debate this bill in the House.

The matter that we have to consider regarding these amendments concerns the Commonwealth establishing for itself an entity that would issue subleases. This is to cover the possibility that the Northern Territory will not establish a township leasing entity in this period of time as a consequence of concerns that have been raised in the Northern Territory parliament, particularly by Indigenous members of parliament, about the first proposed lease that is being considered at this time—that is, the lease at Nguiu on the Tiwi Islands.

The reason members of the Northern Territory parliament, opposition members in this place, Indigenous people in communities and others are raising concerns is the wide-ranging scope of this potential amendment and the powers that a headlessee will actually exercise in relation to leases over land in the Northern Territory, land which is of extraordinary cultural value and potential economic value to Aboriginal people. The fact of the matter is that very little detail is being provided by the government about the operation of headleases. In this case, a number of concerns have been raised, some by legal commentators and others by committees that have examined the issue and certainly by members speaking in the House. They are real concerns that go to the substance of the proposal that the government has by way of this amendment.

It is simply not acceptable not to provide thorough and adequate information in relation to how the headlease and the leasing entity will actually operate. Information is very sketchy at this point in time about what is being proposed. Where are the accountability mechanisms? What sort of structure is going to be contemplated? What kind of power and what duties will the leasing entity be required to exercise? These and a number of other very serious matters have not been addressed by the government as it seeks to push this amendment through the House. Clearly, there is no parliamentary oversight for any later action that the leasing entity might undertake.

The reason there is significant opposition from Indigenous people and from Indigenous politicians in the Northern Territory to this amendment is that, under its current terms, it is clear that the granting of a lease to sublessees opens up the possibility for non-traditional owners to occupy traditional lands without the already existing customary consent that would normally attach to such an exercise. This is a profound and deep point that goes to the core of our objections to the legislation—namely, that in prescribing the capacity for a leasing entity, and in the case of the Tiwi proposal for the whole of the township in question, the potential for there to be a complete crossing over of the existing traditional and, in some cases, legal responsibilities that are exercised by TOs with any subsequent decision that the leasing entity might make will create a series of problems that have not been considered or fully explored in the House, and they need to be.

That certainly explains, to some extent, our criticism of the new leasing scheme. In particular, the scheme seems to be rushed and, really, what the minister has been argu-
ing over the last 18 months to two years is that, if communities do not agree with schemes of this kind as they are proposed then they will not be in receipt of the necessary infrastructure and resources that they really desire in their communities to enable them to deal with issues of education and housing.

For example, landowners at Galiwinku will not get 50 new houses unless they sign up to a 99-year lease of their land in a town where chronic overcrowding is a major issue—a town where the former lead singer of the Warumpi Band made his name and tragically most recently passed away. Similarly, up to this point in time we have seen Wadeye under pressure from the government if they want to receive $9.5 million in housing that was allocated to them as part of the COAG trial, a trial that was distinctly unsuccessful, despite all the media attention on Wadeye at the time. There was a clear case that the Wadeye community had an alternative proposal that they wanted to put to the minister, and still there was the suggestion that one of the most overcrowded and rapidly growing communities in Australia would not receive moneys that they were effectively entitled to unless they did what the government wanted them to do. Again, on the Tiwi Islands there was the suggestion that a new high school would be forthcoming if Tiwi Islanders and TOs signed up to this particular agreement. It needs to be noted, in particular, that under this bill, which establishes an Office of Executive Director of Township Leasing for some five years, and where the funding for the functions comes from the Aboriginals Benefit Account—and here there are some serious issues of concern, given that ABA moneys are generated from royalties from mining on Aboriginal land and now, in effect, TOs will be required to subsidise their ongoing land tenancy arrangements—there is no legislative requirement for the executive director to undertake ongoing consultation or negotiation with traditional owners and land councils once the lease is granted. And these are leases that go for some 99 years, an extremely long period of time to be contemplated by communities which quite often, because of their current situations, are under considerable pressure on a day-to-day, week-to-week and month-to-month basis.

In relation to the Nguiu people and the negotiations for the Tiwi Island lease, on 9 May the minister announced that a historic agreement had been reached with the Mantuyupwi people for the lease of the town of Nguiu on the Tiwi Islands. But, in actual fact, it was not a specific, legally binding agreement; it was merely a memorandum of understanding. From this time onwards, despite a consultation process undertaken by the government and others, there have been consistent and increasing criticisms from the local community on the basis of them not having a full understanding of what is entailed in the proposal that the government has put. Tiwi local government president, Lawrence Costa, said:

I would have liked there to be more workshops and more communication ...

Tom Calma, the Aboriginal and Torres Strait Islander Social Justice Commissioner, has expressed real concerns regarding the level of information that was provided to people on the Tiwi Islands. Marion Scrymgour, a member of the Legislative Assembly in the Northern Territory parliament, has raised a raft of serious conditions that I think need to be noted by the government, particularly in relation to what is being proposed on Tiwi. Here there is a question in relation to whether or not the entity itself that will be set up to start issuing these leases and subleases is the right structure to enable the people of the Tiwi Islands to fulfil some level of economic independence and to have a say about what will go on in their own town.
The government has always said that the scheme is voluntary and yet consistently we have seen suggestions made by the minister that funding for schools—funding for a high school in one case—will not be forthcoming unless the community signs up. But here the most critical thing is that there are a number of people on Tiwi who, at this time, are clearly not in a position to fulfil the criteria identified in the report by the House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs, Unlocking the future, with regard to the level of consultation and the provision of adequate information to enable them to know clearly and fully what it is they are being asked to consent to. I quote a local woman, Teracita Puruntatameri, who said:

We’re being rushed into signing the lease ... I think we’re being hurried by some people.

This is a serious matter before the parliament. It is clearly a serious matter when members of the community feel that, in one way or another, they are being pushed by a government into something that they do not fully understand and do not fully contemplate. The question here is a simple one: why doesn’t the government simply wait? Why doesn’t the government simply postpone its insistence on establishing an entity of this kind when there is still serious community disquiet—when there are still clearly feelings not only in the community but also amongst leading politicians in the Northern Territory that there ought to be more information and that the way in which this entity is being imposed upon people needs to be reconsidered properly?

I have to say that, at this stage, there is the prospect of communities being placed in a situation where they feel they have no option other than to consider entering into an arrangement which would grant significant and additional powers to an entity—powers of a kind which in the longer term will bear down very strongly not only on their economic fortunes and the sorts of decisions they might want to make in determining what happens to their land in the future but, additionally, on the sort of cultural decision making which is an extremely important and necessary part of life and living in Aboriginal communities. It may be the case that the community here has not been as well served by its land council as it ought. That may well be the case but, at the end of the day, it is the government who is proposing this amendment in order to meet a short-term political problem, not a long-term policy problem, which clearly requires additional consent and consideration by those people who are affected.

This comes after a number of years of an approach by the Howard government, and now by Minister Brough, which is simply failing to bear fruit. What we see is that, in some instances, communities such as Tangentyere in Alice Springs decide that they will reject the offer that is on the table and then of course it gets taken away from them. The very clear message which would go out to Indigenous communities right around the Northern Territory is that you either do it the government’s way—you take the resources that are on offer—or you do not do it at all, and that is not acceptable in the conduct of Indigenous affairs in this country. We have to, at all times, I think, ensure that it is an equal partnership between government and communities, particularly, in this instance, in the Tiwi Islands, where there are large levels of community disquiet and concern about what is being proposed. It is time for the government to take one step back and not consider advancing this proposal at this point in time.

If we look at the COAG trials, we can see that they have basically failed. If we look at the way in which this legislation has been rammed through the House, we can see that the potential for open and clear discussions
about the faults or merits of the legislation has been denied. If we look at the concerns that people have on the ground, on the Tiwi Islands, concerns that have been echoed by Aboriginal leaders like Tom Calma and Mick Dodson, we can see that this is a recipe not for the empowerment of Aboriginal people but for the disempowerment of their interests. This bill should be opposed. (Time expired)

Mr ANDREN (Calare) (10.29 am)—The Aboriginal Land Rights (Northern Territory) Amendment (Township Leasing) Bill 2007 follows on from the Aboriginal Land Rights (Northern Territory) Amendment Bill 2006, which the parliament passed last year, as the previous speaker said, after a very truncated debate. That bill is now law. It effectively rode roughshod over the remaining rights of traditional owners of Aboriginal land in the Northern Territory. Until that bill passed, those who actually legally owned the land we are now talking about did so under a land rights title as inalienable and equivalent as freehold title, with the same legal rights to speak up about that land, to give or withhold an informed consent before others had any use of that land. The difference is that this land, whilst equivalent to freehold title, is held collectively by those whose ancestors were also communal custodians of that country for millennia—a collective ownership that this government would deem as some sort of failed socialist experiment. But who has failed whom? Aboriginal land rights, in the original bill introduced by the Whitlam government in 1975 and passed by the Fraser government in the same year, finally acknowledged the dispossession inflicted upon the traditional owners and recognised the importance of ancestral country to the cultural, social and spiritual lives of the people living on it.

But last year the government, under 99-year lease provisions and the withdrawal of the permit system under the legislation, set about dismantling Aboriginal control of Aboriginal owned land and constructed a framework that clears away Indigenous impediments to opening up the land for others to access and exploit under the banner of economic development. This current bill, the Aboriginal Land Rights (Northern Territory) Amendment (Township Leasing) Bill, sets up a Commonwealth entity to hold and administer those 99-year headleases and ensuing subleases until the Northern Territory gets its act together to take over that role, as originally planned. The bill does not otherwise change the provisions in last year’s legislation. It does not seek to ensure that traditional owners retain some sort of say over their land under any leases. It does not commit any accountability by those lessees to the owners and their communities. It does not provide any proviso that use of the land by others must provide a benefit to the owners and the communities to remain permissible. Thus I can only reiterate my dismay at the provisions of the legislation this bill represents and the shame we should all feel at the failure to honour the rights of Indigenous communities to good health, to adequate housing, to self-determination and to the right to maintain a final say over their own land—rights most other Australians expect and enjoy. Yet here we have the Minister for Families, Community Services and Indigenous Affairs threatening to withdraw an already allocated $9.5 million for new housing at Wadeye unless the community signs away control of their land with a 99-year lease. We have a minister demanding the signing of a 99-year lease by the Tiwi Island community if they want a secondary boarding school to be built.

What is the trade-off that Aboriginal communities are being asked to make in return for such leases, for a few houses that should have been provided by government
anyway, for a school that should have been built and maintained with government help, for any outsider with an eye for a profit to stake their own claim and reap the resources as they wish? For years, governments have crafted the message that communal ownership is the cause of the terrible breakdown of, and poverty in, some Aboriginal communities. Now this government postulates somehow that all that is needed is for the people affected to borrow money to buy their own homes. How is this supposed to happen, this brave new world offering better prospects and hope for the future, as the minister so confidently decreed, especially with the government’s stated intention to withdraw services from smaller, isolated communities?

The changes start with the land councils, which service the land trusts that passively hold the community owned land for the benefit of Aboriginal people entitled by tradition to use or occupy the land. Land councils, larger regional statutory corporations, service the land trusts by representing the interests of traditional owners and other Aboriginal people with traditional interests in that land. The councils also provide administrative support to the trusts and the professional skills needed to carry out the substantial obligations they have. If someone wants to use the land, the relevant land council conducts negotiations with the traditional owners, with those affected by the proposal and with the proponents. The land councils must respond to the views of the traditional Aboriginal owners. The councils must also use traditional or other agreed processes to allow those owners informed collective consent. When a proposal is agreed to, the land council then directs the land trust to enter an agreement.

When you consider that many traditional owners do not speak or read English, the substantial difficulties imposed by the incredible isolation of many of these people and the very different world views and concepts understood by all parties, it is clear how important and huge a task this is for the land councils. Indeed, it was a point made clearly to me by Richard Trudgen, the author of *Why warriors lie down and die*. I urge members to read that book. He oversaw the complete collapse of many communities because their ability and right to make decisions for themselves had been taken over by imposed contracts from outside and the fact that no attempt was made, except in very exceptional circumstances, to develop any proper understanding of the cultural mores and the languages of some of those remote communities. In fact, their own land councils were imposing dictates on them that did not have the support of the traditional owners.

Under this proposal, a land council could lease to the Northern Territory government, or in the case of this bill, the Commonwealth, the whole of a community or township on Aboriginal land for 99 years. That is quite a few generations. These headleases would be controlled by government, removing any semblance of ownership by the legally recognised traditional owner. Here the process of setting up a new land trust, with its associated land council, without the checks and balances that are so necessary, needs to be remembered. I refer to the words of Tom Calma, the Aboriginal and Torres Strait Islander Social Justice Commissioner, who in a speech in May 2007, barely a month ago, said:

Overall, while it is commendable that the Australian Government has made efforts to improve outcomes for remote Indigenous communities, HREOC’s research demonstrates that the current reform agenda will *not* provide benefit to the vast majority of remote Indigenous Australians. In fact it has potential to do great harm.

And he lists several of the reasons:

- Basic economic modeling demonstrates that the Australian Government’s expanded home
ownership scheme will be out of reach of the majority of remote Indigenous households ... 

- The home ownership scheme will transfer the considerable costs of remote housing maintenance to Indigenous people on low incomes ...

- International experiences demonstrate that individualising Indigenous communal tenures such as those proposed through the 99 year headleases leads to the loss of Indigenous owned land ...

- Most Indigenous land tenures are located in very remote desert country, distant from markets and infrastructure to support enterprise development ...

It begs the question: is this some part of a modern version of herding people to the fringes of larger towns to put in place these processes—social engineering to get rid of remote communities in order to build larger urban centres? A substantial number of remote Aboriginal communities are situated off Aboriginal land, on Northern Territory freehold land, over which no leases can be granted except for very limited non-commercial and non-residential purposes, and only with the approval of the Northern Territory minister. Why, then, is the Northern Territory not permitting leases which would permit economic development of Aboriginal communities located on Northern Territory freehold land?

To disingenuously suggest that land councils and, by implication, traditional owners, are not allowing economic development ignores those major developments that have already occurred under the previous version of the land rights act and long-term leasing arrangements available within it. After all, as far as I have been able to establish, there are much more large-scale economic developments—long-life mines and railways such as the Alice to Darwin on a 99-year lease—on Aboriginal land than off it in the Northern Territory.

However, the Goldfields Land Council executive director, Brian Wyatt, says that in the south-east mining region of Western Australia, the mining boom is passing the locals by. He states:

... hundreds of medium and small land-use agreements between Aboriginal people and mining parties exist in the Goldfields, but few have translated into jobs or skills training.

The Argyle mine is often quoted as an excellent example of what can be done in providing job opportunities to Indigenous people. It is given as an example ad nauseam. But these statistics that Wyatt spells out, I suggest, tell a truer story. Wyatt estimates:

... only about 50 Aborigines out of an indigenous population of about 3000 are employed in the mining sector.

A Griffith University study of 45 Indigenous land use agreements found that, 15 years after the Mabo decision, most land use agreements between native title claimants and mining companies had failed to deliver significant outcomes for Indigenous people.

We now see this undermining of the traditional ownership of this land and the opening of the door, if you like, for exploitation of this very land by non-Indigenous interests.

As for individual housing, section 19 of the current act already allows a land trust to grant a specific interest in land for an Aboriginal family. This is not about homeownership; this is not about improving the health and welfare of Northern Territory Aboriginal people or building opportunities for the future; this is not about recognising the rights of the traditional owners and the aspirations of the communities that live on Aboriginal owned land, and further supporting and strengthening those mechanisms which are all about ensuring that recognition, negotiation and informed agreement are part of the deal. With the concurrent removal of the permit system which controls the access by others to land and communities, this bill is
about opening up economic development for others and removing the owners of the land from the equation—perhaps forever.

The final insult is that the cost to implement this brave new world—some $15 million over the next five years for surveying and valuations et cetera—will be borne by the Aboriginals Benefit Account, diverted by both governments—Northern Territory and Commonwealth—from economic development and land management projects on Aboriginal land. This piece of legislation is summed up by the concluding comment in the Bills Digest:

... there is no legislated requirement for the Executive Director to undertake ongoing consultation or negotiation with traditional landowners or Land Councils regarding management of their land, once the headlease is agreed.

I reject this bill and call on the opposition to seek a division on it—not to hide from calling this government and this minister to account regarding its renewal of paternalism and assimilation as foundations of its approach to what it would see as simply ‘the Aboriginal problem’.

Mr SNOWDON (Lingiari) (10.43 am)—Firstly, I thank the member for Calare, whose speech I listened to closely, for his observations. I say to the member that he need not worry about the strength of feeling that there is within the Labor Party about these proposals; the fact is that we will be dividing on them.

I was also encouraged by the contributions which have been made by others in this debate, notably the member for Calare, as I have pointed out, and also the member for Kingsford Smith, the member for Batman, the member for Banks and of course the shadow minister. I am not at all enthusiastic, of course, about the contribution made by the member for Solomon, which I am sure comes as no surprise here.

I thought that the member for Calare showed a keen appreciation of the historical circumstances that surround the opportunity for the leasing of Aboriginal land prior to the amendments which were passed in this place previously, which amended section 19 and put in a new section 19A. His observations about the executive director under this new legislation are also apposite and something that we need to be most concerned about. I am sure once Indigenous Australians in the Northern Territory understand them they will be very concerned about them. His observations summarising the concerns expressed in the Bills Digest at the conclusion of his contribution make it amply evident that, should this piece of legislation go through this place, this office be established, a township lease be signed and the responsible body be the executive director, there will be no cause for that person to have any dealings with Indigenous people—Aboriginal traditional owners—about the future of those leases once the lease is signed. That is very clear to me, as it was clear to those people who wrote the Bills Digest.

This bill will establish an Office of the Executive Director Of Township Leasing to enter into and administer township leases on Aboriginal land in the Northern Territory. We need to understand what that means and be very clear about what it means. The bill states:

The functions of the Executive Director are:
(a) to enter into, on behalf of the Commonwealth, leases under section 19A; and
(b) to administer leases granted to the Commonwealth under section 19A, including administering subleases and other rights and interests derived from such leases, in accordance with their terms and conditions; and
(c) any other functions that are prescribed by the regulations, being functions relating to the matters referred to in paragraph (a) or (b).
Section 3AA, Approval of NT Entities, subsection 2, of the original act—in this case referring to a Northern Territory entity but no doubt in this instance it will mean this entity—states:

(2) If an NT entity is the Northern Territory, a Minister of the Northern Territory, on behalf of that entity, may:

- (a) enter into a lease under section 19A; and
- (b) exercise all the powers of a lessee (including granting a sublease).

We need to be most concerned about this piece of legislation. We are told that this is to be an interim office until the Northern Territory government establishes its own entity, if it does. The office would hold all 99-year leases on township land, it would grant subleases in accordance with headleases and conditions under the provisions of section 19A of the principal act, and it would be funded to the tune of $15 million from the Aboriginals Benefit Account. That, of course, is adding insult to injury, as has been commented on by both the member for Cullare and the member for Kingsford Smith.

This legislation will create an administrative framework for the Minister for Families, Community Services and Indigenous Affairs to further his scheme of privatising Aboriginal land. Let there be no doubt about it: the essence of this is to undermine the core principles of the Aboriginal land rights act. That is epitomised in the comments made by the member for Solomon and have been the observations historically made by the minister when he has commented on collective ownership. I think they are testimony enough to where the minister is coming from.

Let me for a moment leave aside any question of fact and ideology. Under the leasing proposal the land would be held by an entity—in this case the executive director—under a headlease. The entity, as described by the parts of legislation which I have read out, would have the power to sublease the land to outside business interests and to residents, who presumably may use their leases as collateral for finance to open businesses or to build or buy their own homes, should they wish to do so. Outside interests may relinquish the lease, in which case it is my understanding that the entity has the power to transfer that interest in the land to another party or parties, although this has not been made clear in the discussion of the proposal. It is clearly not something that was addressed in any public fora that I have observed. It means that, unlike the situation operating under the principal act, the Aboriginal Land Rights (Northern Territory) Act 1976, where a landowner not only has no right to determine who gets to use his or her land, their wishes would not be taken into account about any future transfer of interests.

I am sure that there has been no discussion at any point along the way with either the people in the Tiwi Islands, the people at Galiwinku, the people in Wadeye or the people on Groote Eylandt that this is the impact of this legislation. There has been no detailed negotiation or discussion with those people about the impact of this legislation upon them and their control of their land. Once granted an interest through a sublease, of course, there is another implication—and that is that the sublease holder, or his or her employees, then gain access to Aboriginal land without any formal approval or approval process such that exists under the current permit system, but which, of course, we know the government would like to get rid of. Again, this point has not been made clear to those people who are currently contemplating the proposal for leasing. It adds significant weight to my contention that this is all about privatisation—the privatising of Aboriginal land.

I note that the Commonwealth government proposes to make free with other peo-
ple’s land—in this case Aboriginal people of the Northern Territory, under the various land trusts. Yet, under the terms of the Crown Lands Act 1996, as it applies to Norfolk Island, for example, land may be leased only to a natural person who is granted residential status or general entry permit status under section 8(1)(a) of the Immigration Act 1980, or, under section 8(1)(b), a community organisation, which means a body corporate or an unincorporated association which is not carried on for the pecuniary profit of its members and which has as its principal purpose the provision of community service, or a form of assistance to persons living or working on Norfolk Island, including the provision of sporting or cultural facilities. The intent of that is clear: it is intended to maintain the integrity of the landholding system of Norfolk Island and to stop unwanted intervention or interference from outside and, from the Norfolk Island perspective, to maintain its cultural and environmental heritage.

Similarly, Lord Howe Island is a place of immense environmental value. In New South Wales the Lord Howe Island Act 1953 governs the issuing of leases in perpetuity for the purpose of residence. Section 21 of the act provides that the minister may lease areas of not more that two hectares of vacant crown land for the purpose of residence and that a lease may be granted only to an islander aged 18 years or over. The lease is to be a lease in perpetuity and, according to subsection 21(7), a condition of residence is to attach to the lease.

Let us now consider the Tiwi Islanders. Under the proposals in this legislation, they will not have the same protection offered to the residents of Norfolk Island or Lord Howe Island. In exchange for being denied their existing rights, they are being offered inducements such as money for services, infrastructure and facilities that other Australians regard as their right as citizens. A memorandum of understanding was signed by the minister and the Tiwi landowners at Nguiu in early May and I attended a public meeting at Nguiu on, I think, 10 May. When commenting on the memorandum of understanding, Mr Calma, the Aboriginal and Torres Strait Islander Social Justice Commissioner—who has been referred to previously—said:

The Government has effectively given the Tiwi one million dollars worth of health services, a new school and some improvements to recreational areas in exchange for control over their land. Every Australian citizen has a right to appropriate housing and health services—no one should have to trade their land for these essential services … some of the services offered address long-standing and urgent needs facing the Tiwi people—these are overdue. But they should never have been made contingent in this way.

Nor should they have. Mr Calma also said that the new arrangements strip the Tiwi people of their power to stop development that offends their cultural and environmental sensitivities in return for houses or services. That is clear in the legislation; it could not be clearer. Any potential they have to control land that is made the subject of one of these town leases will be removed. Of course, the minister has already made propositions to the people of Wadeye, Galiwinku and Groote Eylandt, and I will come to the issue of Alice Springs shortly.

I will now make a couple of observations to get rid of the spurious notion that, somehow or other, under section 19 of the land rights act it was impossible or inappropriate to lease land for commercial or housing purposes. Of course, that is just a nonsense. There is any number of examples of short-term commercial leases—something less than 99 years—including, for example, a tuckshop or a fast-food outlet, two of which exist on Galiwinku and which have leases under the section 19 provisions of the land...
rights act. There is absolutely no need to re-
move the ability of traditional owners to deal
in land through land trusts and land councils
and to put it in the hands of a third party who
has no connection with or responsibility to
those people—none whatsoever.

I have been involved in this area of public
policy for nigh on 30 years and I have never
heard such spurious arguments as those put
in the debate on the original proposals for the
leasing provisions amending section 19 in
the last bill passed through this place or the
proposals before us today. They suggest to
me that this is all about a set of beliefs, not
an understanding of what is happening on the
ground or the desirability of ensuring that
Aboriginal people in Australia, in this case in
the Northern Territory, have the right to self-
determination. That right will very clearly be
taken from them as a result of this legisla-
tion. It could not be clearer.

We know how the government deals with
these things. It has threatened to take $60
million from the town camp community in
Alice Springs because the community is not
prepared to accept the conditions placed on
that funding by the Commonwealth or the
Northern Territory governments. In fact, they
want a set of arrangements that preserve their
right to self-determination and to control the
housing that is proposed to be built at the
town camps. They are not opposed to the
idea of leasing or people purchasing homes.
However, they are opposed to losing control.

It should not be beyond the wit and wis-
dom of people in this place or elsewhere to
come to an agreement about how that control
should be exercised. Nor should it be beyond
the wit and wisdom of people to sit down
around the table in good faith and to say, ‘We
are prepared to deal with you. We understand
the terms and conditions you want to put into
any arrangements we might agree upon. We
will not impose arbitrary deadlines. We will
provide an opportunity for proper consulta-
tion and ownership of the decision-making
process.’ That is not what has happened.

What has happened is that preconditions
have been placed on the negotiations at the
outset and in the first instance by the Com-
monwealth. There should be no precondi-
tions for these discussions, if the ultimate
objective is to improve and alleviate the ap-
palling living conditions that exist in the
town camps around Alice Springs. Similarly,
if the government’s real intention, through
these proposals, is to provide opportunities
for Aboriginal people in the Northern Terri-
tory to purchase houses, or to provide new
infrastructure on Aboriginal land, then let us
discuss that matter. Let us not have it dressed
up in some ideological framework which is
designed to undermine the essence of the
land rights act. There is no need to. Aborigi-
nal people are entirely reasonable, as the ne-
gotiations and discussions with the people of
Wadeye would attest. What they did, when
confronted with the proposal from the Com-
monwealth, was to go back to the Common-
wealth with an alternative proposition for
leasing for a lesser period. It is entirely
proper for that to happen. As the Minister for
Families, Community Services and Indige-
nous Affairs can now attest, he came into this
place proposing all sorts of funding which
would be expended on Aboriginal housing at
Wadeye—commented on properly and ap-
propriately by the shadow minister—and
said very clearly that what we are about is
building houses. If you want to build houses,
sit down and negotiate the building of
houses. If you want to provide the capacity
for people to purchase their homes, I am sure
they would not be opposed to that idea, but
do not impose artificial and nonsensical pre-
conditions upon that set of negotiations,
which is entirely what has happened in this
context.
The Aboriginal Land Rights (Northern Territory) Amendment (Township Leasing) Bill 2007 is unnecessary—as the amendments in the first instance were unnecessary. Ultimately Aboriginal people may decide, ‘We’re going to cop this,’ and the Tiwis might decide that they are going to cop it—as is their right. If they do so, why is it that the government will not say to them, ‘Why not make the entity the Tiwi Land Trust’? Why shouldn’t the land trust, the landholding bodies and the landowning bodies be the entities, so that the right of control remains in the hands of traditional owners? Why is it that an office is being set up over which the traditional owners will have no control and will have no impact on? I can only say that it is about developing the economic interests of people who are not Aboriginal—or, in this case, Tiwi Islanders. That concerns me greatly. We do need to provide opportunities—there is no question about that. Opportunities can be provided, but they will not be provided by governments arbitrarily imposing their view upon people in the way in which it is proposed by this government.

I go to the comments made by the member for Calare about assimilation policy. That is what this is about. We are seeing the clock wound back ostensibly to prior to the existence of the land rights act, to give a different set of landholding and land management arrangements to Aboriginal people in the Northern Territory which are consistent with the ideology of this government. It is not good enough. This legislation should be opposed and will be opposed.

Mr KATTER (Kennedy) (11.03 am)—Up until the Minister for Families, Community Services and Indigenous Affairs moved this legislation, I was the only living minister who had moved land rights legislation which purported to deliver ownership to Aboriginal people. For those who may be younger than me, the legislation in Queensland was the subject of five very laudable 60 Minutes reports during those years. The Queensland legislation on landownership is the subject of two textbooks, one by Roslyn Child and one by Frank Brennan, and those textbooks are in universities throughout Australia. The whole front page of the Weekend Australian said one weekend ‘The Elders Wept’. It showed the elders at Yarrabah all jumping for joy in front of stacks of little kids waving Aboriginal flags on the handing over of the deeds of grant at Yarrabah. We were lauded from all sides and from all parts of Australian society.

To what do we owe this magnificent achievement of which I had the honour of being one of the centrepieces? We simply went out to every community in Queensland where we called public meetings. We had to do a lot of work to get people to turn up to those meetings. We then asked them for a vote. I said, ‘At the present moment, all of the six million acres in Queensland are owned by trustees appointed by the Governor in Council. Effectively, therefore, that land is owned by the state government.’ A lot of them chirped a bit at that. They said, ‘We own it,’ and quite rightly so. I said, ‘Settle down. We believe morally and legally that you do own it. That means we have to hand it over but, in handing it over to Yarrabah, I have to put somebody’s name at the bottom of this piece of paper. I want to ask you people: do you want traditional ownership?’ I regret to say that my honourable Independent colleague the member for Calare, for whom I have very great respect, and the member for Lingiari both talked about traditional ownership. You have a choice: either you can look back and be chained and manacled by the past or you can look to the future and ask, ‘What are the mechanisms that we need to carry us into the future?’ Traditional ownership is manaceling people to the past.
I asked Yoshi Hattori, the head of the Bank of Tokyo, ‘Did the MacArthur Constitution change Japan?’ He said: ‘Absolutely. Before the war, no matter how dumb or stupid or lazy you were, no matter how arrogant or objectionable you were, if you were Samurai—or of upper class—‘you ended up rich and powerful. After the war and after the MacArthur Constitution the world changed. Those that were lazy, indolent and arrogant fell by the wayside and more deserving people moved forward to positions of power and ownership.’ When you talk about manacling people to the past, you are talking about feudalism. You are talking about a feudalistic land tenure system. Do we think that in the year of our Lord 2007 we should be looking to a feudal regime where the traditional head of a family, the eldest son, effectively owns all of the area under the feudal regime of the particular lord or baron?

We asked the people whether they wanted traditional ownership—we explained to them that traditional ownership meant that the original tribe would own the land—or whether they wanted land council ownership. They were very well aware of their land councils. We said they could have shire council ownership because we were setting up local shire councils; the Yarrabah Shire Council was being set up. We said they could continue with government ownership or they could have private ownership—where their own family owns their own house, farm, cattle station, shop, service station or whatever. All of the questions zeroed in on private family ownership. When we took a vote and asked, ‘All those in favour of traditional ownership?’ three hands were raised. A total of 3,800 people attended the meeting. Only three hands were raised out of 3,800. When we asked, ‘All those in favour of land council ownership?’ not a single hand was raised by people from any of those 28 communities in Queensland. No hands were raised when we asked who was in favour of shire council ownership. No hands were raised when we asked who was in favour of government ownership. When we asked who was in favour of private family ownership, all 3,800 hands were raised—except for the three people I mentioned earlier.

The wonderful, incredible, exciting thing we did was to simply to go out and ask the people what they wanted. It was no surprise to me that they wanted to own their own home, their own shop, their own farm or their own cattle station. As we were not a proper body we handed it over to the shire council, to the state government, to decide who should own which property, house, farm or station. We felt the local shire council should do that, with a mechanism to devolve it.

The previous two speakers made a good point when they said that there is an element of compulsion in the minister’s approach to this issue. One of the mistakes we made was that we did not include an element of compulsion in the bureaucratic process. Applications just got bogged down with machinery, and people had to shoulder the burden of suddenly becoming part of a shire council and having to run their own affairs. The huge and colossal administrative burdens slowed down the process dramatically. That is when the government needs to intervene to speed it up. But there does need to be some element of compulsion in this speeding up. It is not a case of forcing somebody to do something but, if a person applies to own his own home, the onus of proof should shift to the council. There was then in the old legislation an avenue of appeal—for the sake of better words—to tribal elders for the area.

I am sure the situation in the Northern Territory is not greatly different to that in Queensland. Native title was absolutely disastrous for us in Queensland. Arguably, 40
per cent of Australia’s Aboriginal population is in Queensland. When you talk about Aboriginal affairs, the vast bulk of the people you are talking about live in Queensland. Of the 28 communities—and I exempt the Torres Strait Islands—there are about 15 or 16 communities in towns very much separated, in every sense, from every other town. Yarrabah may be close to Cairns but it is across the inlet, so it is a million miles away from Cairns. These communities are very different from other towns in every sense of the word. Each of these communities was artificial; it was set up by the government or by a mission. In fact, only about seven or eight per cent of the population of those 16 communities are from the original tribe. At Yarrabah only about 60 are from the original tribe. On Palm Island only about 12 are from the original tribe. Yet there are some 3,000 or 4,000 people living in those two communities. So 4,000 people should be dispossessed to deliver traditional ownership? Give me a break here! The native title regime has caused endless trouble. Because I am not entirely white and I come from Cloncurry, I am considered one of the mob. I am very proud to be able to say that. They confide in me ‘It is a plot by the migaloos’—the whitefellas are migaloos—and many say, ‘To get us to kill each other, like in the old days’, which was substantially true; most of the killing in Queensland was done by black troopers.

There were other issues which the leadership wanted to pursue. We had already set up the shire councils at that stage. The Aboriginal Coordinating Council in Queensland wanted inalienability, so you could sell to another Yarrabah resident but you could not sell to an outsider. Who was a resident was a matter to be determined by the council, with an appeal to two tribal elders. One was an appointee of the government and one was a magistrate from the conventional magistrates system. That was the body that was set up that you could appeal to.

There has to be some compulsion here because to my knowledge not a single, solitary case ever went through to a magistrate. Many people desperately tried to get their houses through but it got bogged down in the machinery of the shire councils. The councils were trying very hard but they had an enormous amount of work to do in order to learn how to run their own affairs.

The only thing that I disagree with the minister on here is the 99-year leases. I cannot for the life of me see why fee simple cannot be given to an individual while tying in the inalienability clause. He did not have the advantage that I had of having shire councils set up in each of these communities, and I was dealing with a much better educated group of people in Queensland. There was hardly anyone in these communities who had not worked for whitefellas or outside communities at one time or another and held down very responsible jobs. We were dealing with a much more sophisticated group of people than the minister is dealing with in the Northern Territory.

As has been rightly said in this place on a number of occasions during this debate, the blackfellas of Australia are very distrustful of the whitefella, particularly whitefella governments of Australia. And they are entitled to be, because this is a pretty sad story that I am telling here. The legislation was greeted with the second longest filibuster in Queensland parliamentary history. Like today, everyone was getting up and saying that all sorts of dreadful things were going to happen under private ownership and how it was some sort of government plot to do something or other. We met with the black leaders. A number of them came down and had a press conference. They said that they gave the legislation guarded approval. It was stridently con-
denounced by Father Frank Brennan and, rather ironically, he later wrote a book stating that everyone should follow the Queensland example. I do not want to criticise him for that, because I think he had the same suspicions as everyone else of the Queensland government at the time.

As I said, we held meetings in Hopevale, which was then the most sophisticated Aboriginal community in Australia. Of course, that community produced Noel Pearson, and for those who follow the great game of Rugby League it also produced the person who should be playing fullback for Queensland tonight, Matty Bowen. The first black member of parliament in Australian history, Eric Deeral, who I had the privilege of serving with, also came from there, as did one of the first Aboriginal ministers of religion in Australia, Pastor Rosendale. It is a very sophisticated community. The Lutheran Church at Hermannsburg have done a remarkably successful job, which is in very sharp contrast to other religions which were not very successful at all.

We went to Hopevale, and Lester Rosendale, the brother of Pastor Rosendale, was effectively the clerk for the little community organisational group that they had there and which worked with the church. He said, ‘We already know what we own.’ I said, ‘What do you mean?’ He said, ‘We have already got this place broken up into family ownership. We have private ownership here.’ I said, ‘On the government register it says it is a trust area.’ He said, ‘I do not care about that. Come over here to this map.’ He had a map of Hopevale and they had already divided the place up into their blocks. It was nothing to do with government. Under the leadership of the Rosendale family, all the people decided that they would have private ownership. So Hopevale had already headed down that pathway with an agreement between the people and the mission, who were the trustees of the area. They had already moved to private ownership.

The next place, Pormpuraaw, was more ‘primitive’ in the sense that a lot of people did not have any education at all and they still spoke in language. They were not primitive in the sense that they were backwards, but primitive in the sense that they were still very much in a tribal regime. Pormpuraaw was then called Edward River. Jackson Shortjoe met us there. He said that he would like to have a shot at the cleanskins. Let the truth be known: his cousin—I will not mention names—was already mustering the cleanskins on the place. There is nothing wrong with that; in fact I would highly commend them for it. But he reckoned that, if someone was going to clean up the cleanskins on Edward River, it should be him. That is where his family came from. I said to him, ‘If you want to do the job properly you have to build yards, Jackson. You are not going to be able to get those wild cattle together if you have not got yards, yard wings and some fencing to hold them.’ I said, ‘We cannot put up the money for that.’

This is the nub of it at all. This is where the rubber meets the road. If we want to make these communities commercial areas where people can look after themselves then they have to get some money from somewhere. Government will not give it to them. The government’s fingers have been burnt a thousand times, so it will not give money for commercial operations. Because a huge amount of money is needed to take maybe 50,000 to 100,000 people forward and to finance, for example, these cattle stations, they have to go to the banks. A bank will not loan you money unless you have a mortgageable document. What the minister is doing today should be absolutely applauded. This is a historic event. This is the first recognition by this parliament that these people need the same machinery that the British
people were given in 1272 in Quia Emptores when they effectively abolished the feudal system. That enabled the English to get ahead of the rest of the world commercially. It is the same system that Lincoln gave to the people of America under the Lincoln Homestead Act—and we have all seen the movies where they race to put the stake in the ground—that made them the great juggernaut of agriculture in the world. Roberts Ardrey, in his book *The Territorial Imperative* says that one person at the plough in America can free up 30 people to work in other areas. It takes 30 people at the plough in Russia to free up a single person.

Mr Deputy Speaker, 42 per cent of Australia is technically owned by the Aboriginal people. Believe me—and I was brought up in the town that was half Aboriginal in descent; I have played football with these people and it takes a lot of organisational capacity to run a football team onto an oval, as I have done all my life—there is no reason why these people should not be standing equal to everyone else in Australia, except because they are not allowed to own land. If we lock them into traditional ownership then all I can say to you is that we are locking them into a feudal regime and they will have the same results as Russia and all those other countries that had feudal ownership until very recently—last century in most cases in Europe. When the MacArthur constitution came in in Japan, that country was a moderately backward Asian country. It was the most advanced of them, I suppose, but it was still moderately backward. Within 40 years under that constitution they became the richest people on earth. Their income was $US32,000 per person. The American income was $30,000; the Australian was only $19,000. That is the sort of constitution that the minister is delivering today.

I take the point made by the member for Calare and the member for Lingiari—it was a good point—about the overseeing group that holds the headlease. I ask the minister to look at that and I will talk to his officials about ways that this model can be refined. The local people who live there—I am not talking about traditional owners—should have something. When we argued the point of traditional ownership in the halls of power with the black people of Queensland again and again it was decided unanimously on every occasion— *(Time expired)*

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) *(11.23 am)*—in reply—I thank the member for Kennedy for his passionate recall of history and for reconfirming to this parliament that Indigenous Australians are like the rest of us. They absolutely want the opportunity to own their own homes, run their own businesses and not be dependent upon welfare. They want to be able to make their way in the world as equals. Unfortunately, due to well-meaning but poorly directed policies in the past, that has been a dream, and nothing but a dream, for those people who live in certain parts of our country—some of them still in Queensland, in the Northern Territory and South Australia, and even in Western Australia. What we have to do and what the *Aboriginal Land Rights (Northern Territory) Amendment (Township Leasing) Bill 2007* does today is to enable Indigenous Australians to make a choice for themselves.

I will take up one issue with the member for Kennedy. We are not actually forcing anybody to do anything—not a thing—because we do not need to. There are 130-odd Tiwi Islanders who are the traditional owners, the rightful owners, of Nguiu. For those who do not understand, Nguiu is a town: it has streets, football ovals, police stations, community buildings, childcare centres et cetera. The difference is that no-
body under any circumstances can own anything there. There are 130-odd Australians who own that land. That is beyond dispute, and we know exactly who they are. But, as they have said to me, and in public, for the last 100 years they have had absolutely no say over what happens on their land. I ask the members of the gallery, I ask anybody listening to this broadcast today: could you imagine for one moment, as another Australian operating under the same constitution and the same laws, having to have other people living on your plot of land and doing whatever they wanted on terms that they determined, with you having no say, no recompense and no control whatsoever. It is such an alien thought and consideration that it is laughable. But that is in fact what occurs.

So over the last 14 months I have been travelling in the Tiwi Islands and meeting with the Tiwi Islanders, down here and on the phone. We have had six, seven or eight personal meetings with these people, and over that period of time they have come to a realisation that the great hope of land rights back in the seventies was in fact a fraud in giving them control. It was not a fraud in handing over land—the member for Kennedy mentioned 42 per cent of the Australian landmass—but what has it actually delivered? What has it delivered is very little when it comes to anything that has been of real benefit in ensuring that children get out of poverty, that they have a school education, that they can speak English, that they can move and be mobile members of the Australian society. That has not happened.

What they have discovered with what we have put on the table here is that, for the first time in 100 years, in the township of Nguiu, on Bathurst Island, in the Tiwi Islands, those people who are the rightful owners beyond dispute will get compensated in a reasonable fashion for others, including government entities, using their land. It is unbelievable to think that you can have a government office on your land and not be paid something for it being there, but that happens. Others just determine under what conditions all sorts of public facilities get built on your land. The lease arrangement that we put on the table for their consideration was that those traditional owners could collectively decide that they wanted to enter into a negotiation and ultimately an agreement with the Commonwealth government that we would pay them directly a financial recompense for the use of that land. It is not for the Commonwealth to use it; there is no profit to be gained here. Some of those who sit opposite tried to make out that somehow the Howard government or some notional shadowy figure was going to benefit. No; this is all about providing certainty.

Again, as the member for Kennedy said, unless you can wave around a document called a mortgage, a bit of security, a title, a deed, you will not get investment in these places. When you go to these locations, you sit down with these people and you say: ‘You’re not going to have any jobs here. It is just living a lie to tell you that somehow a government is going to turn up and create the thousand jobs that are required.’ Governments do not create jobs; they create the environment that allows business to create jobs. That is what has happened in the wider Australian community. So if a businessman turns up at Nguiu and says, ‘I want to put in a fishing resort and I’m going to have to get title over the land,’ he cannot get it. They cannot get it in a sustainable way which—

**Mr Snowdon**—Yes, they can!

**Mr BROUG**—Here we go: Mr Ideology—the man who stood up here not half an hour ago and said, ‘I’ve been up there for 30 years and I’ve been looking after these people for 30 years.’ Well, for 30 years you have been an abject failure and a fraud on the
people of the Northern Territory. You have done absolutely nothing, as the member for the Northern Territory originally and now the member for Lingiari, other than to stand in the way of progress and letting these people have a real say in their own future.

Mr Snowdon—Mr Deputy Speaker, I rise on a point of order. I can tolerate a lot of insults but I am not a fraud and I ask him to withdraw.

The DEPUTY SPEAKER (Mr Secker)—I am not sure that that—

Mr BROUGH—If he is offended by the term ‘fraud’ I will withdraw. I have no qualms about that whatsoever.

Ms Macklin interjecting—

Mr BROUGH—I withdraw unconditionally and I now say about the member for Jagajaga and the member for Lingiari that the two of you came into this place and told more untruths today than I have heard in the last 11 years that I have been in this place.

Mr Snowdon—Just tell the truth!

Mr BROUGH—The reality is that you do not have the leadership of your former party president, Warren Mundine, an Indigenous man of this country, who fully understands the needs of his people and says that people should have the right to own their own property. The two members opposite sit in this parliament and, unlike many others on the other side who have embraced these concepts, do not say that Indigenous people should have the right to choose. The member for Lingiari and his hatchet men have been in Nguiu trying their hardest to persuade the traditional owners not to agree.

Mr Snowdon interjecting—

Mr BROUGH—You can speak; you can shout; you can say what you like. The reality is you are condemned by your actions. If we turn to Alice Springs, where we have the special purpose leases, you have been the member for Lingiari for the best part of the last 20 years, including 13 years in government. You have been the president of the Labor Party in the Northern Territory, and you have done nothing. You have seen children abused and you have seen murders occur. As late as only a couple of weeks ago, a 23-year-old woman was murdered.

The people that are given the money to run those camps in the suburbs have failed miserably. The Commonwealth government is trying to give children the opportunity to go to school and not to live in fear at night. I received a letter from Lavinia, who said, ‘In the town camps every night I cried myself to sleep with the threat that I would be stabbed at night.’ She used the terms, ‘I escaped from Central Australia.’ This is Central Australia we are talking about, where the member for Lingiari, who has been the federal member for years, stands condemned for his inaction. I wonder what his motivations have been over those years when something positive could have come for these people. Now there is an opportunity with this bill and you are condemned—

Mr Snowdon—Mr Deputy Speaker, I rise on a point of order. I ask the minister to reflect upon what he has just accused me of. I am not going to repeat it. I ask him to reflect upon it and withdraw. If you want to argue a substantive motion about my behaviour as a member of parliament, please do so. But do not make those gratuitous insults; I ask you to withdraw.

The DEPUTY SPEAKER—Minister, do you propose to withdraw?

Mr BROUGH—I have nothing to withdraw, Mr Deputy Speaker.

The DEPUTY SPEAKER—The member for Lingiari has asked you to withdraw and it would assist the convenience of the House if the minister withdrew any imputations.
Mr BROUGH—There were no imputations. I have said he has failed as a member of parliament and I restate that. He has failed the Indigenous population of the Northern Territory and his actions in this place today condemn him yet again.

Mr Snowdon—Mr Deputy Speaker, I have asked him to withdraw. You can check the Hansard—

Mr Brough interjecting—

Mr Snowdon—I am not going to repeat the allegation. I ask you to reflect upon the Hansard when it is available and you will see the imputation which was in it. I ask him to withdraw. I can tolerate all sorts of insults, but I will not accept those sorts of imputations. I ask you to withdraw.

The DEPUTY SPEAKER—The member for Lingiari has asked for a withdrawal. The minister has indicated that he will withdraw any imputations that were unparliamentary. I assume that that withdrawal is without qualification. If that is the case, we can pass on. Is that the case?

Mr BROUGH—There was no imputation. I cannot withdraw any imputation if there was none. There is nothing to withdraw. I said he has failed as a member of parliament and has failed the Indigenous population of the Northern Territory, and I stand by that.

Mr Snowdon—He can say that as much as he likes and I will not oppose it. I will oppose what he says but I am not going to ask him to withdraw it, because it is just banal. But he did make an imputation which was quite different from that, which I am not going to repeat, and I ask him to withdraw it.

The DEPUTY SPEAKER—The request for withdrawal has been made. The minister previously said that, if there was an imputation that was unparliamentary, he would withdraw. It would assist the business of the House if the minister withdrew any imputation that he made, without qualification. I do not have in my mind the specifics of that imputation because I was distracted at the time, and I apologise. But it would assist the business of the House, and it would be easier than going back to the Hansard and having this matter repeated later in the day, which would inevitably be done if the minister does not withdraw.

Mr BROUGH—Mr Deputy Speaker, I invite you to go back and look at the Hansard. There was no imputation other than what the member for Lingiari perceives in himself. The people of Tiwi are the people that we are here to discuss, because they have met with me and said on numerous occasions that this is something that they want. The members of the Labor Party today stand condemned because they are not letting the first Australians make that choice for themselves.

This piece of legislation does nothing more than enable Aboriginal Australians to have the same rights as everyone else has, if they choose to have them. At the moment they do not have them and the majority of the Labor Party, including the Chief Minister of the Northern Territory, agrees with this. It was her idea. It is her party president, the member for Lingiari, who is condemned for his inaction over the poor health and well-being of the constituents he has represented for the best past of two decades.

This bill will allow one person, to be known as a statutory authority, to hold a headlease. The allegations by the member for Jagajaga that this somehow abdicates or removes the rights of Indigenous people in those places to have a say over what occurs in the next 99 years is wrong, because built into the lease are conditions about people being residents on the Tiwi Islands and about who can have a lease and under what condi-
tions—and it can be reviewed. There are reviews built in for the very reason that they do not want the opportunity of making a decision for a 99-year period to lapse without the next generations being able to have a say and changing things as they go. What is so offensive about giving the first Australians the right to be able to determine who lives on their land and under what conditions? Absolutely nothing. That is the lie that is the Labor Party’s position in relation to this whole piece of legislation. This legislation—unlike the member for Kennedy’s thoughts that this is somehow forcing anybody—does not force; it is enabling legislation. The fact is that the people of Nguiu have said to me that for the first time men are walking with pride in their chests and their heads held high because they have some direction and some control over their own future. And the Labor Party wants to stop it.

When I have sat down with the traditional owners at Wadeye they have said, ‘We want to think about this,’ and I have said, ‘Go and think. Take your time. When you want to come back, you come back to us.’ We have given an offer to the people of Groote, saying, ‘When you want to, you come back to us.’ The Galiwinku people said, ‘We would like to be able to negotiate with you.’ I say to the First Australians, the people of the Northern Territory, that the reality is that because of the lack of leadership from the Labor Party’s side if there is a change of government at the end of this year those people who are looking for a brighter future for themselves and their children—building businesses, building employment opportunities, improving their health, giving kids the opportunity to go forward—will find that that is going to be snuffed out in a moment because of the ideology of those who sit opposite. They talk about paternalism. Their idea of paternalism is that they will decide what the First Australians can do, when they can do it and how they do it.

The member for Lingiari, as the member for the Northern Territory and his current seat for the best part of 20 years, oversaw the circumstances in the Northern Territory Alice Springs town camps—which have gone further downhill—and he has done nothing about it. The federal government comes in and stands up and says, ‘Yes, this is a Northern Territory direct responsibility. No, these are not traditional owners. These are special purpose leases. We will work with you but it will not be on the same basis that has failed before, where houses are not maintained and rents are not collected. We will change that.’ The member’s own Labor Party Territory government has agreed 100 per cent with the Commonwealth. It is only this dinosaur, the member for Lingiari, who is the President of the Labor Party up there, who is in total opposition to his own Chief Minister and his own former president of the federal Labor Party, Aboriginal man Warren Mundine. These people have spoken against him, yet he stands up there and condemns his own people by his actions.

Mr Snowdon—No-one has said that. Why can’t you be honest?

Mr BROUGH—This piece of legislation today will enable Indigenous people to make a decision for themselves.

Mr Snowdon—Why can’t you get an agreement? You are incapable of getting an agreement—absolutely incapable!

Mr BROUGH—The normal thuggery, the normal loudmouth and the normal hollow rhetoric that comes out of your position. That is all that you ever do. Going back to Hopevale that the member for Kennedy mentioned, this is something that is not new to the rest of Australia, but it is spreading across the nation. It is people from Hopevale and people like Vince down there at Yarra-
bah, whom I spoke to only the other day, who have been waiting on the Queensland government for five years for the same thing that we are offering here to the Northern Territory. I say to the people of Hopevale and Aurukun and all of the cape communities: if I had my way and I could, I would legislate today in this place to give you the right to own your own homes as well. I would give you the opportunities so that your kids can see what it is like to have some leadership and what it is like to make your way in the world. But no, those that sit opposite, if given the chance to sit on this side of the chamber, would snuff that out for the people of the Northern Territory.

If this is something that people do not want to do, why is it that when I look into the eyes of the elders of the people of Galgwinku they say to me, ‘We know that this opportunity may be snuffed out by the Labor Party in the next six months. We want to act now. We want to have a go at doing this.’ Why is it that members of Groote, where you have got 40 men earning over $100,000 a year in the mines there who want to have the opportunity not to live in a rented house for the rest of their lives but actually put something into their own homes and put some roots down for their children like the rest of us do and be proud of what they hand over, are opposed by those opposite?

Mr Snowdon—They can already do it.

Mr BROUGH—All the time we get one charge from those that sit opposite: they can already do it. Why the heck haven’t you managed to do it for 20 years as the federal member? Why is there still 95 per cent unemployment in these areas? Why are children not going to school? Why aren’t they people owning their own homes? It is because the Labor Party does not want to see that happen. That is why. Today the people of Nguiu move one step closer to recognising and realising their dream. Their dream is about ensuring that their children can determine their own future, that their children do not have to move to Darwin to own a home, that they can start a business—a bakery, a fruit shop, a hairdresser, tyre repairs, whatever it may be. Go to Google—

Mr Snowdon—They can do it now, idiot!

The DEPUTY SPEAKER (Hon. DJC Kerr)—Order! Interjections are disorderly.

Mr BROUGH—If they could do it now and it was so simple, why hasn’t the Labor Party, through both the Territory government and the member for Lingiari helped that occur for the last 20 years? The reality is that the member for Lingiari does not want to see change because change will bring down some of those people who have controlled these towns with an iron fist and have prevented people from getting ahead.

Today, unfortunately, we have far too much child abuse. There should be zero child abuse. We still have drugs in these towns and we have school attendance as low as 20 per cent. Up in Queensland, on Mornington Island, the Labor government set a target of just 75 per cent school attendance. Can you imagine any other part of the country saying that if one in four kids do not go to school we don’t care? This is the sort of rubbish that the Indigenous Australians, our First Australians, have had to put up with for so long. It is time the Labor Party listened to the Noel Pearsons and to their party president, Warren Mundine. It is time they listened when Indigenous people say, ‘We made a mistake in the past. What we delivered in the past did not deliver for our people. We need a brighter future.’

The coalition government, under the leadership of John Howard, has said to the First Australians, ‘You can now enjoy the same rights as every other Australian. We are sorry we did not do it sooner. We want you to have
the chance so that your kids can see a purpose in getting a job and so that they can make a way for themselves without having to worry about passive welfare with all of the spin-offs and negatives that come from it. This legislation allows that to occur. This legislation will allow people who want to make a choice for themselves to do so and do so without the encumbrance of knowing that they are going to be dependent upon others to determine their future. This is why this legislation is a positive step for all Australians.

The DEPUTY SPEAKER—I thank the minister, but before I put the question, I did consult with the member for Lingiari and confirmed his recollection of the remarks with the member for Jagajaga. I will require the minister to withdraw what was understood to be the imputation that the member for Lingiari was associated with or in some way responsible for the rape and murder of persons in town camps. That is the imputation that is understood. It would assist and benefit the House if it were withdrawn. It was understood in that context. I am sure that the minister did not intend it, but it should be withdrawn.

Mr BROUGH—To assist the House I will make it quite clear that I do not blame the member for Lingiari for those things and I withdraw unreservedly if that was his understanding. That is not what I was suggesting.

The DEPUTY SPEAKER—I thank the minister.

Question put:

- That this bill be now read a second time.

The House divided. [11.48 am]

(The Deputy Speaker—Hon. DJC Kerr)

Ayes……………… 79
Noes……………… 50

Majority……… 29

AYES

Abbott, A.J.
Bailey, F.E.
Barresi, P.A.
Billson, B.F.
Bishop, J.J.
Brough, M.T.
Ciobo, S.M.
Costello, P.H.
Draper, P.
Entsch, W.G.
Fawcett, D.
Forrest, J.A.
Gash, J.
Haase, B.W.
Hartsuyker, L.
Hull, K.E. *
Johnson, M.A.
Katter, R.C.
Kelly, D.M.
Laming, A.
Lindsay, P.J.
Macfarlane, I.E.
May, M.A.
McGauran, P.J.
Nairn, G.R.
Neville, P.C.
Prosser, G.D.
Randall, D.J.
Robb, A.
Schultz, A.
Secker, P.D.
Smith, A.D.H.
Southcott, A.J.
Ticehurst, K.V.
Tuckey, C.W.
Vaile, M.A.J.
Vasta, R.
Washer, M.J.
Wood, J.

NOES

Adams, D.G.H.
Beazley, K.C.
Bird, S.
Burke, A.E.
Byrne, A.M.
Crean, S.F.
Edwards, G.J.

Andren, P.J.
Bevis, A.R.
Bowen, C.
Burke, A.S.
Corcoran, A.K.
Danby, M. *
Elliot, J.

CHAMBER
Question agreed to.

Bill read a second time.

**Third Reading**

**Mr BROUGH** (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (11.54 am)—by leave—I move:

- That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**HIGHER EDUCATION LEGISLATION AMENDMENT (2007 BUDGET MEASURES) BILL 2007**

**Second Reading**

Debate resumed from 24 May, on motion by **Ms Julie Bishop**:

- That this bill be now read a second time.

**Mr STEPHEN SMITH** (Perth) (11.55 am)—The Higher Education Legislation Amendment (2007 Budget Measures) Bill 2007 amends the Higher Education Support Act 2003 to provide for the government’s 2007-08 budget commitments, indexation increases and other technical adjustments for the years 2008-10 and adds maximum grant amounts up to the year 2011. The bill includes the higher education measures announced in the budget other than the Higher Education Endowment Fund. The bill covers a range of areas, including reducing the number of Commonwealth Grant Scheme funding clusters; changing CGS funding levels across disciplines; specifying a revised maximum student HECS contribution for commerce, economics and accounting courses; introducing three-year CGS funding arrangements to commence from 2009; lifting the 35 per cent cap limiting the proportion of full-fee domestic undergraduate places and limiting the 25 per cent cap for medical places; increasing the total number of Commonwealth supported places; increasing the number of Commonwealth scholarships from 8,500 to 12,000 per year and allowing them to be paid by the Commonwealth directly to students; introducing an Indigenous scholarship classification for up to 1,000 higher education Indigenous students; providing additional funding to universities to improve teacher education programs; creating a new Diversity and Structural Adjustment Fund for universities through the appropriation of an additional $67 million; and providing additional funding to the Australian Research Council Act 2001 to update caps on funding for 2007 and 2008 and adds the financial years starting 1 July 2009 and 1 July 2010. Labor supports these measures and, with a couple of notable exceptions that I will come to in the course of my contribution and make clear by way of second reading and detailed committee stage amendments, supports the bill.

What a surprise that the government’s budget contains measures favourable and positive for education. What a surprise, after 11 long years of neglect and complacency
and of deliberate underinvestment in our higher education and university sector. What a surprise, three, four or five months before an election, after Labor has made education and higher education a front and centre policy and political issue for the course of this year. What a surprise that, at the last minute, the government might decide cynically and politically to do something about education. There is only one reason for that occurring—that is, the government is much more interested in trying to save its political neck than it is in a long-term, enduring commitment to education and higher education.

While there is much relating to education in the budget and in this bill, which, as I have indicated, we welcome, it comes after 11 long years of neglect by the Howard government of the education and training of our nation—neglect in building the skills and capacity of our workforce today for the challenges of tomorrow. The essential case against the government when it comes to higher education is that, over the period of its term in office, the government has underinvested in higher education and in our universities. When the government first came to office, it cut funding to higher education by $100 million a year. The government cut funding to technical and further education in TAFE by 13 per cent in its first term of office and increased it by only one per cent in its second term—an effective real cut from the 1995-96 figures. Up until this year’s budget the government actually reduced funding to universities by six per cent per student place between 1995 and 2003. These are facts and analyses that the government would prefer the community to gloss over at this point in the political cycle.

So, given this track record, we should take the budget and this bill with a grain of salt, or perhaps a large dose of cynicism. I think that is how these measures and the budget generally have been met in the community. A lot of the feedback I have had from the community is essentially: ‘These look like reasonable measures. How come it took them 11 long years to get there? Oh, we know. We are three, four, five, six months before an election, and the government is much more interested in saving its political skin than in a long-term, enduring commitment to education and to higher education.’ For the Liberal Party, for the Howard government, for the coalition, if they win the next election that will be the end of education so far as they are concerned because the objective is a political end, a political objective. It is not a long-term, enduring commitment to increasing investment in education at every level. It is not a long-term enduring commitment to raising the standards of the outcome. It is not a long-term, enduring commitment to ensuring that in education at every level we make much greater investments to make ourselves internationally competitive. That is the mark against which we need now to judge ourselves—not the investments we have made in the past, not the investments that might be made state by state or state by territory, but how our investments compare with those of the nations in our region and in the world.

The forward estimates in the budget show that, despite the government’s measures in the budget and in this bill, Commonwealth spending on education as a proportion of GDP is forecast to decline. Commonwealth expenditure on education as a proportion of total government expenditure is forecast, according to the government’s own figures, to decline over the next four years from 7.7 per cent in 2005-06 to 7.4 per cent in 2010-11.

At the beginning of this year the Leader of the Opposition, Mr Rudd, and I announced what became known as our Education Revolution document. That document had a central thesis to it. We all know that education is the one thing which gives the young Austra-
lian the chance to get ahead, the chance to
maximise potential. In that respect, it has
often been viewed as a social policy issue, a
matter of equity, a matter of opportunity—
and that is right. All those things remain true.
Those of us in this parliament who have been
the beneficiaries either of Commonwealth
scholarships to university or of Whitlam free
tertiary education know better than most the
opportunity to maximise potential and the
opportunity to get ahead that that advantage
can bring. The central thesis of the Education
Revolution document was that education is
now the single most important economic
investment that we can make, the single most
important economic issue that we confront.
To remain a prosperous society, to remain
internationally competitive, to go to the next
level of productivity, we have to make in-
vesting in the skills and education and train-
ing of the people in our workforce our high-
est priority. That applies whether we are talk-
ing about early childhood education, primary
and secondary schools, vocational educa-
tional training, universities, or ongoing pro-
fessional development. At the conclusion of
my remarks I will formally move the follow-
ing second reading amendment, which sum-
marises those matters:

• “whilst not declining to give the bill a second
reading;

• (1) the House the House notes that the
Budget announcements in higher education
come after more than 11 years of neglect and
complacency towards, and underinvestment
in, Australia’s higher education sector, and
that under this Government:

• (a) as a proportion of total reve-
uene, Commonwealth grants to universi-
ties have decreased from 60 per cent of
their revenue in 1996 to 40 per cent, at
the same time university revenue de-
rived from private sources of income
has gone from 35 per cent to 52 per cent
and revenue from fees and charges has
increased from 13 per cent in 1996 to 24
per cent;

• (b) Commonwealth investment in
education as a proportion of total Gov-
ernment expenditure is actually forecast
in the Budget to fall from 7.7 per cent in
2005-06 to 7.4 per cent in 2010-11; and

• (c) there has been a significant
and serious run-down of research infra-
structure, including a failure to provide a
real increase for Australian Research
Council project funding; and

• (2) further, the House notes that the Budget:

• (a) abolishes the current cap of 35
per cent on full-fee domestic under-
graduate degree places; and

• (b) increases HECS contributions
for Commerce, Economics and Account-
ing courses to the maximum amount
while at the same time reducing the
Commonwealth contribution for those
courses”.

The second reading amendment both sum-
marises the effect of 10 or 11 long years of
Howard government presiding over higher
education and also makes some remarks and
analysis about the budget measures. A telling
analysis is that, when the Howard govern-
ment came to office, 60 per cent of our uni-
versities’ revenue effectively came from the
Commonwealth—the Commonwealth gov-
ernment discharging its central obligation to
fund higher education and universities ade-
quately and appropriately. That has now
fallen to 40 per cent and led to the reliance of
universities on other contributions, private
contributions—whether from individual stu-
dents or families by way of a HECS contribu-
tion, from full fees paid by domestic or
overseas graduates, or from contributions by
private benefactors or by state government.
Private contributions have increased from 40
per cent to 60 per cent. So there has to be a
long-term, enduring commitment to restabi-
lise that imbalance, to have the Common-
wealth, the nation state, discharge its central
obligation to adequately and appropriately fund higher education and our universities.

Moving to some of the major provisions of the bill, let me deal firstly with the changes to what have become known as the funding clusters under the Commonwealth Grant Scheme, CGS, to universities. The budget reduces from 1 January 2008 the number of clusters funded under the Commonwealth Grant Scheme from 12 to seven. The government argues that it would allow universities more flexibility to allocate places across different disciplines and respond to student and employer demand. Under the changes, the government will increase the CGS funding to the disciplines of mathematics, statistics, allied health, engineering, science, surveying, clinical psychology, education, nursing, social studies, behavioural science, medicine, dentistry and veterinary science. These changes mean that in 2008 CGS funding will deliver increases of $2,729 for maths and statistics; for allied health, $1,889; for engineering, science and surveying, $684; for clinical psychology, $2,729; for education, $109; for nursing, $109; for behavioural science and social studies, $840; and for medicine, dentistry and veterinary science, $1,081.

Labor welcomes these increases. We welcome the increased investment in our universities. It is what we have been crying out for for a long time, and it is what we have been drawing a focus on and attention to in the course of this year in particular, an election year. There is no surprise about the government’s motivation here. It is not a long-term, enduring commitment to these disciplines; it is a long-term, enduring commitment to saving its political neck.

The CGS funding for accounting, administration, economics and commerce will be reduced—or, in the language of the government’s budget papers, adjusted downwards—to the same level of Commonwealth contribution for law. This means the government is cutting CGS funding for accounting, administration, economics and commerce by $1,029 per student place per year.

The government argues that this reflects the commercial nature of these courses and the higher incomes that people who study these courses will likely receive over their working careers. For the universities, of course, it is a reduction in funding—a reduction which the government encourages and, indeed, effectively requires, in practical terms, the universities to recover by a consequential increase in the HECS or the student contribution for students doing those courses of accounting, administration, economics and commerce. That is because, at the same time as reducing the Commonwealth contribution to these courses, the budget measures and this bill move accounting, administration, economics and commerce into the same HECS band as law, medicine, dentistry and veterinary science. This will increase the maximum HECS contribution that students in accounting, administration, economics and commerce may make by $1,216 per student per year.

The government says it will leave the final decision to pass on to students the increased HECS contribution to the individual universities, but we know that, in reality, for the vast bulk of universities, if not all the universities, particularly those universities in outer metropolitan Australia or in rural and regional Australia, they will have no choice. The funding cut of $1,029 per student place in accounting, administration, economics and commerce will be met by a concurrent increase in the student HECS contribution of $1,216.

Experience shows, having regard to the last occasion that the government allowed universities to pass on HECS increases, that
we can reasonably expect that the vast majority, if not all, of the universities will move quickly to pass on this increased contribution. I do not hold the universities responsible for that; I hold the government responsible. Accounting, economics and commerce students account for more than 54,000 domestic undergraduate students or approximately 14 per cent of all undergraduate places. Cutting the Commonwealth contribution by $1,029 per student place will leave a real and significant shortfall for many universities.

The government will provide transitional funding for universities in the intervening period when the increased HECS contribution takes place. The fact that the government sees fit to provide transitional funding for reducing the CGS component of accounting, economics and commerce student places while waiting for the HECS increases to cascade through the system underlines and reinforces the fact that, without it, universities would be materially worse off. It also highlights the fact that the assertion by the Minister for Education, Science and Training that the universities are not obliged to pass on the HECS increase to students to meet their funding shortfall is really just a word game and tricky language and does not reflect reality. The reality is that the government’s decision in this area will adversely affect universities and their funding arrangements and adversely affect accounting, economics and commerce students by way of an increased HECS contribution.

This is not something unfamiliar under this government—Commonwealth contribution down, HECS contribution up. Labor remains significantly concerned, as Professor Chapman put it in January this year, that we have now got to the stage with HECS that the burden is now, as Professor Chapman put it, at tipping point. If the architect of the scheme is saying that the contingent loans scheme may well be at tipping point, we may well already have got there. This is one of the reasons why Labor has looked, and continues to look, not at increases in HECS but at reductions in HECS, and particularly targeted reductions in HECS. That is what we have done with our proposal to make it more attractive for young Australians to both study and teach maths and science by reducing the HECS contribution for those students studying maths and science. If those students, upon graduation, embark upon relevant occupations, particularly teaching, there would be a 50 per cent remission for the HECS repayments that they make.

In terms of an adverse impact on our universities, the University of Western Sydney, for instance, has said that it will be made financially worse off as a result of the government’s decision in the accounting and economics area by more than $5 million per year, such is the number of students it has in those relevant disciplines. Indeed, on my most recent count, about 15 universities had already indicated they would increase the HECS contribution.

The second area of the bill that I wish to refer to is the government’s proposal to remove the full-fee cap. Currently, there is a 35 per cent existing cap applied on full-fee undergraduate domestic university places as a general cap, and there is a 25 per cent cap for medical places. The government’s argument here is that universities will still be required to offer Commonwealth funded places prior to offering domestic full-fee places. Labor opposes as a matter of principle full-fee undergraduate domestic places. That has been Labor’s longstanding policy position. In this particular budget and this bill, we also oppose the removal of the cap on domestic full-fee-paying students contained in the budget and in the bill.
There are currently around 17,000 full-fee-paying domestic students in Australia’s universities. Under the government’s decision to lift the cap on domestic full-fee places, we will surely see this number rise over time. Indeed, there are financial incentives for universities to do so. This approach places a higher premium on the size of the chequebook than on the content of the textbook. This is why Labor has made it clear that our policy approach in government will be to phase out full-fee-paying domestic places, commencing on 1 January 2009.

We will, of course, allow those students currently in courses on a full-fee-paying basis to complete those courses, and we have indicated to the universities both in the white paper published in the last quarter of last year and by my subsequent public remarks that we will compensate the universities financially for the phasing out of the full-fee-paying places commencing 1 January 2009. I am in discussions with the universities and the higher education sector about the detailed financial implications which arise from the implementation of this policy and the nature and extent of the compensation to our universities. Labor’s is a philosophical position driven by equity—wanting to give all students a fair and equal opportunity to determine their place at university on merit, not by the size of their chequebook.

When the government first introduced the full-fee-paying arrangements it and the universities indicated that they would not allow more than a five-point disparity between those students who entered a university course on a HECS or a Commonwealth supported basis and a full-fee-paying basis. Regrettably, there was no legislation that enforced that as a requirement. It was said to be a so-called gentleman’s agreement between the government and the universities. Over time we have seen that so-called five per cent gap massively stretch out. There are any number of examples in recent times. The most recent figures I have are 2006 figures. At Deakin University, for a Bachelor of Exercise and Sports Science degree, the gap between a HECS place and a full-fee place is 19.75 points; University of Adelaide, Bachelor of Engineering (Aerospace), a gap of 18 points; University of Sydney, Bachelor of Behavioural Health Science, a gap of 17 points; Deakin University, Bachelor of Nursing, a gap of nearly 15 points; University of Sydney, Bachelor of Education, nearly 15 points; University of Sydney, Bachelor of Arts, nearly 15 points; University of Adelaide, Bachelor of Laws (Combined), 12 points; University of Sydney, Bachelor of Education (Primary), 12 points. So the so-called five-point gentleman’s agreement has long been honoured in the breach. That, of course, underlines one of the equity reasons why Labor is committed to its full-fee-paying phase-out approach.

There is a combined effect in the government’s changes to the cluster funding arrangements and its proposal to remove the cap on full-fee-paying places. In Senate estimates a couple of weeks ago, on 31 May, the Department of Education, Science and Training confirmed what Labor had suspected: that the combination of the removal of the full-fee-paying cap and the changes to the cluster funding arrangements would leave universities in the position, if they so choose, of allocating all of their HECS or Commonwealth supported places to one discipline, leaving other more lucrative disciplines like law or medicine as entirely full-fee-paying places. That is the combined effect and impact of reducing the number of clusters and removing the cap on the number of full-fee degrees. Universities are now free to enrol an entire discipline as a full-fee domestic course use by shifting the number of Commonwealth supported places to other disciplines within that cluster. I think it is
very instructive to read and listen to the exchange that took place between Senator Carr and DEST officials at that Senate estimates hearing. Senator Carr asked:

Is it possible for entire disciplines to be transferred to full fee paying programs?

DEST:

It will be possible under the new arrangements for a university to offer a particular course only on a full fee paying basis, provided, as we said earlier, that it offers all of those places that it has been allocated in the broad discipline cluster as Commonwealth supported places first. That rule will continue to apply. Within that, the current rule that applies course by course will no longer apply.

Senator CARR—

... But because the clusters are so broad, is it not possible to transfer places in that cluster, say, from law to economics and then offer the law course at a full fee paying rate?

DEST official:

Theoretically, if it is in the same cluster, yes. ...

So, for example, when you look at the cluster funding arrangements which this bill implements, law and accounting, administration, economics and commerce are now in the same funding cluster and the Commonwealth contribution to those disciplines is $1,674. As I have earlier indicated, we have seen a reduction in the Commonwealth contribution to accounting, administration, economics and commerce places. It is now entirely open to a university, if it so chooses, to allocate all of its law and accounting, economics and commerce places to accounting, economics and commerce, leaving all its law places to be entirely full-fee paying. The same applies in clusters where maths, education and health are combined, and where medicine, dentistry, vet science and agriculture are combined. It is entirely open for a university in some of these lucrative professional areas to leave open all of its places in the lucrative area to full-fee-paying places only.

As I say, combined with the lifting of the cap on full-fee domestic undergraduate places, this now means that a university can utilise all of its HECS undergraduate places allocated to a particular cluster for a single discipline, leaving the university to have entirely full-fee courses in attractive or lucrative courses like law or medicine. This means under the new funding cluster arrangements it will be possible, for example, for a law course to become entirely full-fee-paying if Commonwealth funded places are transferred to commerce or economics, which would also attract a higher Commonwealth contribution. In the long term this is nothing more and nothing less than the government pursuing its longstanding ideological approach of pushing university students onto full-fee-paying courses.

Let me move to student income support. Labor welcomes the government’s decision to increase student income support measures to postgraduate students. Labor welcomes the additional Commonwealth scholarships for low-income students to assist with the education and accommodation costs of attending university. Labor believes that the fact that 2,000 of the new scholarships will be offered to students to study two-year associate degrees as a pathway to full fee degrees is sensible, as is the decision to aim the scholarships at students from regional and rural areas. Offering the scholarships to students at the same time as they are offered a place will mean that the often hard decision of weighing up whether to accept the university place while considering the financial implications of such a decision should be easier. Labor also supports the extension of rental assistance to Austudy recipients aged 25 and over to make it consistent with youth allowance, and Labor supports extending student income support to students enrolled in approved coursework masters programs that lead to professional qualifications.
While Labor welcomes these measures and supports them, it continues to be concerned that not enough is being done for students in the student income support area. The reality is that these measures outlined in the budget apply to a small number of students. It is anticipated that only about 11,000 mature-age students are likely to benefit from extending rental assistance to Austudy recipients. The vice-chancellors’ report released some months ago showed that many of our students are under increasing financial pressure, are being forced to work in any number of part-time jobs and are battling hard to make ends meet. As a consequence they are not able to devote themselves to their studies, nor can they enjoy the whole university experience. That is a serious issue and the government has failed to come to grips with it.

As a general proposition I also believe that historically, in the last quarter of a century, the Commonwealth has underutilised scholarships to assist university students and public policy. Commonwealth scholarships could be used to encourage our best and brightest to study in particular disciplines such as maths, science or engineering. They could also be used to encourage and assist our best and brightest to move from rural and regional Australia to universities that specialise in their chosen areas. Of course, Commonwealth scholarships could also be used to alleviate the financial hardship experienced by those who come from lower socio-economic or disadvantaged family circumstances.

As I have indicated, Labor obviously welcomes and supports a range of measures in the bill. These have come as a result of the focus and political pressure applied by Labor’s commitments to invest more in education at every level, including the higher education sector. However, for Labor these measures are just the start, not the finish. Labor has a long-term and enduring commitment to investing more at every level. The problem for the Australian community if this government is re-elected is that these measures will be the end not the start, because they are about a political end and a political objective. There is more we need to do as far as universities’ recurrent income is concerned, including questions of indexation now that the cluster funding arrangements are on a three-year cycle. We also need to do much more for universities’ infrastructure, particularly research infrastructure.

As I have indicated, we need to do much more in the area of scholarships and student income support. We must also look closely at our rural and regional universities and address the additional cost and income difficulties they experience when often their less than critical mass is further away from population centres. We continue to need to invest more in student amenities and services, which are now withering and dying on the vine as a result of long-term neglect. Those remarks summarise the second reading amendment that has been circulated in my name. I now formally move the second reading amendment and commend it and the bill to the House. 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:
  - (1) the House notes that the Budget announcements in higher education come after more than 11 years of neglect and complacency towards, and underinvestment in, Australia’s higher education sector, and that under this Government:
    - (a) as a proportion of total revenue, Commonwealth grants to universities have decreased from 60 per cent of their revenue in 1996 to 40 per cent, at the same time university revenue derived from private sources of income
has gone from 35 per cent to 52 per cent and revenue from fees and charges has increased from 13 per cent in 1996 to 24 per cent;

- (b) Commonwealth investment in education as a proportion of total Government expenditure is actually forecast in the Budget to fall from 7.7 per cent in 2005-06 to 7.4 per cent in 2010-11; and

- (c) there has been a significant and serious run-down of research infrastructure, including a failure to provide a real increase for Australian Research Council project funding; and

(2) further, the House notes that the Budget:

- (a) abolishes the current cap of 35 per cent on full-fee domestic undergraduate degree places; and

- (b) increases HECS contributions for Commerce, Economics and Accounting courses to the maximum amount while at the same time reducing the Commonwealth contribution for those courses”.

The DEPUTY SPEAKER (Hon. DJC Kerr)—I thank the member for Perth. Is the amendment seconded?

Mr Bevis—I second the amendment and reserve my right to speak at a later time.

Mr FAWCETT (Wakefield) (12.26 pm)—I rise to address the Higher Education Legislation Amendment (2007 Budget Measures) Bill 2007. I support this bill because it continues the Howard government’s strong investment over the past 11 years in education and, in particular, its work with the education sector to ensure innovation and vision and to find better ways to educate our students and to get better outcomes from the people and facilities that we have to support education in this country. I will go through some of the provisions and measures of the bill and I will then talk about a couple of the specific outcomes that will impact on the electorate of Wakefield, which I have the privilege to represent in this place.

The bill will amend the Higher Education Support Act 2003 to revise the maximum funding amounts in several sections that impact on the Commonwealth Grant Scheme, other grants and particularly Commonwealth scholarships. This has a number of benefits for people, particularly my constituents in Wakefield. Of note, it also amends item 9 of the Higher Education Support Act to provide for the new diversity and structural adjustment fund, which will promote structural reform by universities to support greater specialisation, diversity and responsiveness to local labour market needs. Some $209 million has been allocated specifically to this area. This is an important measure because it will enable universities to be responsive to the world around them and the people who are, at end of the day, a key stakeholder group in that they look to employ the people who go through higher education.

The bill will also revise the Commonwealth Grant Scheme funding clusters and contributions to reflect new funding clusters and amounts announced in the budget. Importantly, the number of funding clusters will be reduced from 12 to seven, which will give universities greater flexibility to move Commonwealth supported places between disciplines in response to student and employer demand. There is no greater example of the need for this than in South Australia, which has seen a growth in the defence industry, mining sector, automotive and components manufacturing sector and a range of other sectors. As a result, the demand for particular courses has increased, and in the past universities have felt some constraint in their ability to offer places. The $557 million that has been allocated for this measure will enable a focus on mathematics, statistics, allied health, engineering, science, clinical psychology, education, nursing, medicine,
dentistry and veterinary science, and it is a welcome measure. I will come back to the engineering and veterinary science in particular later in my remarks.

The bill also extends the funding agreement from a yearly basis to a three yearly basis, which will give the higher education sector much greater certainty and ability to plan for the future. This provision takes full effect from 2009, but I welcome to the fact that higher education providers will have the option of entering into these three-year funding agreements from 2008 if they so wish.

As part of the flexibility that the government is seeking to give higher education providers, they will still receive funding for overenrolments of up to five per cent, whereas previously this was limited to one per cent. There will also be no penalties for overenrolments above that amount. The government is seeking to give institutions the maximum flexibility to meet either immediate or future student demand.

The bill amends provisions that restrict a proportion of domestic undergraduate fee-paying places. I note that the unis are required to offer all Commonwealth supported places before full-fee-paying places. There has been a deal of concern shown in the community, fed largely by the opposition, about the impact of full-fee-paying places and that somehow this is going to remove the right or opportunity for other Australian students. The opposition are putting forward some kind of perverse inequity: that we celebrate the great export value and provision of international education in Australia and that we welcome and actively promote our education institutions to people from other countries, yet the opposition would deny that same right to Australian students. It is important to look at the context in which this is happening and at the fact that, unlike in 1992—when the number of people who were eligible to go to university but were unable to obtain a place peaked at around 100,000—at the moment that number is at a record low. So we are seeing access increasing. With the 2,300 additional Commonwealth supported places, you can see that every effort—successful effort—is being made by the Commonwealth to ensure that those who wish to study in a supported place have the opportunity to do so. At the same time, we provide the choice to Australians to have the same rights as people from overseas if they wish to take up a full-fee-paying domestic place at university.

The bill will enable the expansion of the number of Commonwealth scholarships. I welcome the fact that at a cost of some $91.4 million over the next four years the number of scholarships will increase from 8,500 per year to 12,000 per year. Two thousand of these scholarships will be available to students who may not otherwise qualify for a higher education place to study a two-year associate degree as a pathway to a full degree. The bill provides funding for an additional 700 Commonwealth education costs scholarships and 210 Commonwealth accommodation scholarships for Indigenous students undertaking higher education enabling courses. The Commonwealth scholarships program will also be expanded to include a one-off payment of $4,000 to eligible Indigenous students to assist with the cost of attending university, as well as up to 1,000 higher education students who will be assisted under the Indigenous scholarship program.

Having been part of the House of Representatives Standing Committee on Education and Vocational Training, which last year produced the *Top of the Class* report, looking at teacher education, I am pleased to see measures in this bill to assist higher education providers who deliver courses in teacher education by providing additional funding
for three- and four-year course students to supplement the costs of delivering the practicum component of teacher education, with some $77 million allocated towards this. Feedback from schools, universities and students undertaking teacher training highlighted consistently across the inquiry that quality practicum was invaluable in preparing students. One of the limiting factors was the time frame and resources that could be applied to this. So I very much welcome this measure in the bill.

To go back briefly to the comments on engineering, in South Australia at the moment we are seeing a considerable expansion in the defence industry sector—in land projects, sea projects and the aerospace sector. We are seeing a considerable upskilling at a technical level and also in systems engineering—particularly the air warfare destroyer and the Joint Strike Fighter—where systems integration is a key part of the capability that those platforms will represent.

We are seeing initiatives being taken to increase the availability of training, requiring that universities have the flexibility to offer places that are relevant. So I particularly welcome the funding which is going to encourage universities to provide engineering, science and maths based places. We also need to have the students to go into those places. I mention here the Concept 2 Creation program funded by the Australian government and supported heavily by industry in South Australia such as Tenix, BAE Systems, General Motors Holden and other component suppliers. In this program, industry, in partnership with the Commonwealth, work with local high schools to encourage young people to see what happens in science and engineering so that they are encouraged to take up those subjects. Teachers are provided support so that they are professionally developed and helped in the practical studies and projects they are to give their students. The students have the opportunity to go into the workplaces so that they see where they can end up if they persevere and choose to go down the maths and sciences route. There is no point having places in universities and jobs open for people if the students are not encouraged. I strongly support the Northern Adelaide Advance Manufacturing Industry Group and their Concept 2 Creation program. I look forward to the funding for that program continuing into the future.

It is important to recognise that a number of factors have been talked about here which come back to the strong economy that this Liberal and National coalition government under Mr Howard has run. This has enabled the $5 billion Higher Education Endowment Fund to be established, as well as the record $4 billion put into education in this budget. It builds on the vision that this government has had for education which looks at a number of enabling factors, things like the professional development of teachers and getting agreement across the country for a national curriculum. With a defence background, I look at the very negative impact it has on families when they have to move between states. Children end up with different standards and different approaches to education. I welcome the government’s move to take leadership on the development of a national curriculum.

I welcome this government’s real focus on core learning as opposed to some of the fads that have been put forward. We have seen the outcomes based education that different groups have put forward at times that take away from the real focus on literacy and numeracy—some of those fundamental and enabling learning disciplines. I welcome the fact that the government has matched its vision in these areas with funding—the $2 billion that has gone into the literacy, numeracy and special needs programs; the $1.4 billion that has gone into the disability access sector to make sure people who have disabilities
can access education; and the $35.2 million that has gone into science education to boost both the quality of and potential interest in science education.

I note that the opposition, in their amendments to the bill, talk about decreases in Commonwealth funding. The opposition love to talk about tricky politics, but this is a classic example of tricky politics. When they talk about decreased funding, they are talking about a percentage; they are talking about a percentage decrease from 7.7 to 7.4 per cent. If they were honest they would admit that the actual dollar value has increased. Why? Because of the strong economic management of the government, the total pie that is available for carving up has grown. So the real dollar value of investment in education has increased. It is really important to note that. It is also important to note that the strong management of the economy is the thing that is leading to the extra demand for graduates. We do not have to look too far back in Australia’s history to see the time when people who graduated from university struggled to find a job, whereas now there is a strong demand for graduates from universities as well as graduates from technical colleges and for people with trade training. Strong economic management has given this government the ability to pay off debt and, instead of paying $8½ billion a year in interest, to make record investments in our defence capability, not only in terms of people but in terms of equipment. Hence the spending on the defence industry, hence the demand for skills and hence the demand for university graduates.

The creation of jobs has not just occurred in defence. It has also occurred in the automotive and component supplier sectors. I look at the companies that have set up in Wakefield recently. The whole expansion of the Edinburgh Parks precinct is based on strong economic management. That has enabled us to invest billions of dollars into the auto industry to make them internationally competitive and to increase their exports. There is also the mining sector. Small and medium-sized enterprises are producing innovative tooling and equipment to support air-conditioning companies with things like ducting, and there is the manufacture of tile-producing equipment which goes around Australia and overseas. There are a range of areas where this government has not only the vision but also the economic credibility to enable the investment in our workplaces and in our educational institutions.

Before I conclude my remarks I wish to come back to the focus on veterinary training, veterinary science, which was foreshadowed in the budget. As I look around Australia, I note that the University of Sydney, the University of Western Sydney, James Cook University, the University of Queensland, Deakin University, the University of Melbourne, Murdoch University and the University of Western Australia all offer veterinary science courses. Young people in South Australia have no option to study veterinary science in their own state. I am very pleased to be working with the University of Adelaide, who are now the people running the Roseworthy agricultural campus, to look towards a veterinary science course, a veterinary school based at Roseworthy, which is supported by the Australian government.

Roseworthy was Australia’s first agricultural college and it was established in 1883. Over the years it has gained an enviable reputation for dryland farming, animal sciences and other areas such as viticulture. In 1991, the college joined forces with the University of Adelaide’s Faculty of Agricultural and Natural Resource Sciences. It has now become the key campus for research and education in animal production and dryland agriculture. There is a vision for this college to provide a veterinary school which is a
postgraduate school, and that will enable people who have completed an undergraduate degree elsewhere or through the University of Adelaide at Roseworthy to undertake veterinary training, particularly in production animals. Rather than adding to what is sometimes considered an oversupply of people working in metropolitan areas with domestic animals, this is going to be very much focused on working with people in the ag sector who need support for production animals. But it will include new industries, such as aquaculture, and also allow specialisations into areas like biosecurity. That is a growing area of need as we start facing a number of threats both to agricultural production in this country and to human health.

I welcome the focus in this budget on veterinary science. I particularly draw the attention of the House to the opportunities that this partnership between Roseworthy campus and the University of Adelaide offers in providing not only a national focus with a new concept of a postgraduate course, a national focus on production animals and a national focus on things like biosecurity and aquaculture but also the opportunity for young people in South Australia to be able to have a career path and complete their studies without having to go interstate.

I conclude my remarks in support of the bill by repeating a quote that was given to me at one stage when I worked in the Defence Acquisition Organisation. When talking about visions that people had, I was told, ‘Vision without dollars is hallucination.’ That is a very apt remark as we look at education in this country. This government has had vision and it has matched that vision with an economic credibility that has enabled us to make investments not only in the education sector but also in the environment outside that is creating the demand for jobs and for graduates. Compare that to the opposition of the education unions and the Labor Party to many of the initiatives of this government, whether they relate to technical colleges, reforms to curriculum, the implementation of benchmarks, the focus on core skills such as literacy and numeracy, and the impact on the economy that a union dominated Labor government would have with their pattern bargaining and the other things that would undermine the economic growth that this country has seen. Not only would you not have the vision; you would not have the dollars. Not only has this government shown vision but it has also achieved economic credibility, and that is not a hallucination. Education in this country has a strong future with the Howard government. I commend the bill to the House.

Mr TANNER (Melbourne) (12.45 pm)—The legislation before the parliament today, the Higher Education Legislation Amendment (2007 Budget Measures) Bill 2007, relates to the implementation of the government’s various budget initiatives in higher education, which were promoted by the government as the primary message arising from the budget—along with the tax cuts—and which constitute a belated attempt on the part of the government to get back in the education game after a very long period of neglect and indeed disdain or contempt for not only investment in education but also the values that underpin the notion of learning. I will deal with the various aspects of the government’s new position in turn and then give some views about what the changes actually entail and what the government’s true position on these issues actually is.

Notwithstanding all of the hoopla about the higher education initiatives in the budget, it is notable that, in spite of everything, the government still could not help itself: it still threw in yet another impost on students. It imposed another burden on students who are already groaning under the costs of trying to make ends meet—trying to ensure that they
can both study and have a basic living—and worrying about the debt that most of them carry into their working lives as a result of the huge increase in HECS over the period of time that the Howard government has been in office.

Things have changed a great deal since I was a student in the latter part of the seventies and in the early eighties. I, along with a number of others in this House, was fortunate to study at Melbourne university in a period when there were no fees. I lived a pretty basic lifestyle—as many students then did and do now—but at least I had the knowledge that I did not have to incur a huge debt with respect to tuition fees, as most students do now through HECS. It is also worth noting that a whole lot of changes have occurred in our society since that time which have made it harder for students to get by while they are studying. It has now become very widespread for students to have to have substantial outside employment while also receiving the very limited amounts of student assistance that a proportion of students qualify for. That in turn is being undermined by Work Choices, because much of that employment is in industries like retail and hospitality, which in the last year or so have seen wages fall behind inflation because of the impact of Work Choices on people who are in economically less powerful occupations. Students have to juggle the commitments that they have with respect to earning a living and being able to pay the rent and feed and clothe themselves with the need to attend lectures and to undertake all of the activities that are necessary in order to study for a degree in whatever the discipline might be. At the same time, the incentive to do this is being slowly eroded by the Howard government imposing more and more of a burden on students in the form of a HECS debt.

It is true to say that HECS was invented by a Labor government. It was invented in order to help finance a massive expansion in higher education—which it did. It was originally set at about $2,500 per year across the board for all degrees but, since the Howard government have been in office, it has been changed to a differentiated table of classes of HECS and it is now up to about $7,000 or $8,000 per year for some categories of student. In this budget, the government added to the top level students studying business, accounting and commerce. So even though this budget was portrayed as the Howard government’s big move in higher education and their big attempt to get back into the university game after years of neglect, years of underfunding and years of interference, they still could not help themselves—imposing yet another burden on students and further undermining the incentive for young people to get a degree and to develop the skills and higher learning that are so important to the future contribution that they will be able to make to Australia’s economy.

The second thing that the budget entailed with regard to higher education was, of course, the removal of the cap on the capacity of universities to offer full-fee places to students. There is a very simplistic argument that is put forward in favour of this, which is that, as universities are able to in effect sell places at market value or quasi market value to foreign students, they should be able to do the same thing with respect to Australian students. The obvious fallacy in this argument is, of course, that Australian students—or, more particularly, their families—have already paid for a substantial proportion of the cost of their university education through taxes, which foreign students, by and large, have not done. The underlying rationale for this is to slowly marketise the higher education system and to change the core indicator of access from one of merit, equity and capacity to one of money.
There is a simple underlying factor here that cannot be avoided. The rationale is very straightforward for the Howard government’s introduction of full-fee places and its more recent removal of the cap, and that is to change our higher education system from one where access has been determined according to merit and ability to one where access is determined according to how much money you have got. There is already substantial evidence in a number of institutions where students are getting into courses courtesy of being able to pay the full fees with HSC scores significantly lower than competing students who are not able to pay those fees. Removing the cap will accelerate the process of the shift in the underlying dynamic in higher education in this country, where money will gradually become everything, where those who lack the financial resources to pay full fees will bit by bit be squeezed out and where the ratio between full-fee places and HECS places will gradually shift even further.

The third element of the government’s higher education budget was, of course, the Higher Education Endowment Fund. The Treasurer trumpeted that this was possibly the greatest achievement in the history of the human race in the area of education—although I am perhaps not doing justice to the floridness of his rhetoric. He was certainly very keen to demonstrate that he had managed to produce this extraordinary achievement of earth-shattering significance. Labor support the Higher Education Endowment Fund, but we do so with a couple of observations. One is that there is a great deal less to this proposal than meets the eye. It is a modest but useful contribution to the cause of higher education in this country. To put it in perspective, with its current endowment of $5 billion the fund will deliver approximately $300 million per annum of additional funding to the higher education sector in this country, which works out to be about $8 million per year per institution. That is helpful but hardly an education revolution. It is worth adding to this observation that this is on the assumption that there is no displacement effect—that the $300 million per year will genuinely be additional to government funding and that it will not, in effect, be eroded indirectly by gradual reduction of direct government funding. That, of course, is yet to be seen. Given the track record of the Howard government in higher education, you will not be surprised to hear, Madam Deputy Speaker Corcoran, that, in my view, if the Howard government is re-elected, over time that effective net contribution will be eroded.

It is also worth raising the question of the future decision making associated with the allocation of these moneys, which is still unclear. The concern that I have, and I am sure many others have, is that the government will set up a funding process which will gradually shift the choices about how this public money is allocated into private or unaccountable hands. There is a core question here, with respect to the distribution of the dollars that will be earned by the Higher Education Endowment Fund, as to precisely what degree of accountability will prevail regarding the distribution of those funds—regarding the decisions, the choices, which institutions will get what amounts of money and what those moneys will be used for. I cannot resist the temptation to comment on the astonishing hypocrisy of the government in putting forward this proposal within weeks of savagely criticising Labor for proposing to use $2.7 billion worth of Telstra shares currently held in the Future Fund to finance the creation of a national broadband network—something which, amongst other things, is important for the advancement of higher education in this country.
We all remember the Treasurer going red in the face, frothing at the mouth, screaming, ranting and doing double backflips at the dispatch box when talking about Labor’s proposal. In his terms, this was vandalism, piracy, robbery and all of the other nouns that he frothed out at the time. Within weeks of that florid performance, the Treasurer has in effect done the same thing by denying the Future Fund $5 billion from the 2006-07 surplus that was otherwise promised, by him and by the finance minister, to the Future Fund to set up a separate fund for a different purpose. He has done exactly what Labor was proposing to do, and continues to propose to do, but with almost double the money. We do not quibble with the purpose, but this confirms our assessment, made several months ago, that the Future Fund was going to hit its 2020 full funding of public sector superannuation liabilities well ahead of target and that it could easily afford the small contribution to be invested in a national broadband network. Our assessment of that has been dramatically confirmed by this decision of the government.

Finally, there is an aspect of the government’s position regarding higher education which was announced around the time of the budget but was not dealt with specifically during the budget process. That is, of course, its intention to seek to remove the regulatory responsibilities that the state governments currently have regarding higher education. Most universities are, in some form or other, creatures of state acts of parliament, governed by state legislation and regulated by the states. Of course, under Sir Robert Menzies they became fully federally funded, and so the states have no direct major financial role with respect to universities, but they still have a substantial regulatory role. It is interesting and, I think, highly significant in the context of other initiatives that have been pursued in the budget by the government that this initiative would be pursued at that time. No doubt we will return to that in due course. It is an indication of where things are heading in higher education under the Howard government, and there are two parallel tracks. They are essentially these: reducing funding and increasing interference. Basically what the Howard government is doing is steadily increasing its power with respect to how higher education functions in our society at the same time as its proportional funding is steadily reducing. For example, I understand that Melbourne university—my old university—has only about 15 per cent of its income from the Commonwealth. That is probably at the low end of all universities, but certainly it is an indication of where things are heading.

So there is no question about where things are going on the funding side but, on the interference side, we have seen over time the overturning of Australian Research Council decisions, interference on the question of industrial relations, attempts to impose AWAs on higher education institutions, the abolition of compulsory student unionism, the imposition of a whole range of voluntary student unionism rules on universities—irrespective of their own views—and, of course, the current education minister demanding of the states that they make financial contributions to the university sector.

Within months we have seen the Howard government say to the state governments: ‘We want you to start giving money to universities, to contribute financially to universities’—when it was a federal Liberal government that established virtually universal federal funding for universities many years ago, and governments of both persuasions have maintained it since that time. We have seen the Minister for Education, Science and Training demand that the states contribute financially and, within months of that, she is now demanding that they hand over their
regulatory powers to the Commonwealth. There is a clear pattern here of the Howard government seeking to assert more control and spend less money. Others have to pay; students have to pay; the private sector has to contribute more, full fee-paying students have to contribute more, now the states have to contribute more, but at the same time as the Howard government is seeking to withdraw its responsibility on the financial front. It is seeking to interfere at an ever-increasing and ever-escalating level in what universities do and how they are governed.

That is not coincidental, because there is a deep antipathy to learning in the Howard government, and it runs right across the entire spectrum. There is a deep antipathy to learning, particularly to university learning, in the Howard government. The Prime Minister has made an art form of pandering to anti-learning prejudice in the Australian community. The former Minister for Education, Science and Training, now the Minister for Defence, followed in his footsteps, as you would expect. We all remember his hokey little stories about the mythical woman that he used to bump into outside universities in various parts of the country who would tell him about how she had never been to a university and wasn’t it all so important that those taxes be well spent. And we remember his dog-whistling messages that basically said, ‘We all know the kind of rubbish that goes on in universities and that good, honest citizens who left school in form 3, who are paying the taxes to maintain universities, ought to be outraged.’ We have all seen and heard those messages, and the tragedy is that they undermine the wider commitment to learning in our community, not just with respect to the universities but with respect to all learning, whether it is kids staying at school or young people going to TAFE, doing apprenticeships or going to university. The messages that have been coming out from the Howard government on learning have essentially been a negative set of messages, all designed to pander, for political reasons, to underlying prejudice in sections of the Australian community.

I remind the House that in 1989, after the Prime Minister lost the leadership of the Liberal Party, his successor, Andrew Peacock, offered him the shadow ministry for education and he declined it, on the grounds that it was not important enough. He declined that shadow ministry because, in his view, education was not a significantly important portfolio at the national level for somebody such as himself. In recent years he has made statements indicating that he has no problems with young people leaving school early—that is fine. We have heard his former education minister, without any quibble from him, indicate that he believes that creationism should be taught in schools. We have heard the current Minister for Education, Science and Training indicate that, in her view, Maoists are in charge of school curriculums. When the member for Fraser stood up at the dispatch box to ask a question in the House recently, the Prime Minister leaned over the dispatch box and called out—quite tellingly, I thought—‘Here’s the professor!’ It is an interesting indication of the Prime Minister’s attitudes that he regards the term ‘professor’ as a term of denigration, a term of abuse. It illustrates the point that I am making, which is that deep in the DNA of the Howard government is an antagonism to learning, an antagonism to universities and a disdain for the whole concept of people acquiring more knowledge, more judgement and more wisdom and being able to contribute better to society.

This mentality has deep roots in conservatism. It ultimately goes back to the not so good old days of serfs and toffs, when the
lower classes were expected to know their place—they had a particular contribution to make in our community, but bettering themselves through learning, acquiring more knowledge and more skills to be able to improve their contribution to society very definitely was not part of it. It is nothing particularly unusual on the conservative side of politics, but I should add in all fairness that it would be wrong to say that this is necessarily always typical of conservative politics. I would be the first to acknowledge that in terms of advancing the cause of learning in this country over the 100 or so years that we have existed as a nation, there are two politicians who stand out for many as people who have made the strongest contribution, and they are Sir Robert Menzies and Gough Whitlam. These two people, one from the conservative side of politics and one from Labor, have, in different ways, contributed most to elevating Australia’s universities and our commitment to learning as a nation. There have been plenty of occasions when conservative governments and politicians have had a serious and genuine commitment to learning. Sadly, the last 11 years of history in modern Australia have not been one of those occasions.

Finally I observe that now, more than ever, it is crucial for Australia to be committed to learning, because of the obvious fact that structural changes in our economy are shifting the balance between low-skilled or unskilled labour on the one hand and skilled labour on the other, and more and more we need people with skills to ensure that we remain a First World nation, a nation with high living standards, able to exploit the opportunities that we have been fortunate enough to enjoy. It is crucial that we maintain and enhance our commitment to learning. I do not have the confidence that the government will be able to do that, because I do not think they believe in it. They are anti-learning. They undermine learning. They send out political messages, for their own short-term political ends, that are designed to denigrate learning.

(Time expired)

Dr SOUTHCOtt (Boothby) (1.05 pm)—I am pleased to speak on the Higher Education Legislation Amendment (2007 Budget Measures) Bill 2007. The education measures were really the centrepiece of this year’s budget. I was very pleased on the Friday after the budget to be able to accompany the federal Minister for Education, Science and Training on visits to Flinders University, in my electorate, and the University of Adelaide, of which both she and I are graduates. As you would expect from a good education minister, she went with cheques and money and was well received by the vice-chancellors and chancellors and those acting for them.

In 2002 the then education minister announced that a review of higher education policy would take place over the remainder of that year. That was the Crossroads review. From that review came the higher education package Backing Australia’s Future, which was announced in the 2003 budget. With this year’s budget we are building on those measures. We need a higher education system which does a whole lot of things. We need to have some places which are focused on research and some which are focused on teaching. We need to have universities which are very much focused on preparing people for the workforce. The important thing in all of this is that we have a lot of choice and we encourage institutions to go for excellence as well. We need an education system that will deliver the workforce that Australia needs for our future prosperity. It is essential that we have a flexible system in which there is a lot of choice and which is responsive to the needs of students and employers, not one with numerous caps.
In the budget, one of the key things was the new $5 billion Higher Education Endowment Fund for Australian universities. There was also a $700 tuition voucher for children in our schools who do not achieve national literacy and numeracy benchmarks in years 3, 5 and 7. There are bonuses of up to $50,000 for schools that make significant improvements in literacy and numeracy. I have seen some remarkable results in schools in my electorate. Some of the schools use the Jolly Phonics program and swear by it. What you find is that things like this are driven by the leadership of the principal and a real commitment to improving results. I remember when we first wanted national literacy and numeracy tests that this was opposed by the Australian Education Union and, as a consequence, opposed by the Labor Party. It is very important to know how our students are doing and where our students are failing. But it is also important to encourage those teachers who are trying to lift people up and improve their performance. The budget also has a $5,000 bonus for teachers who undertake professional training at newly established summer schools. There will be a payment of $1,000 for first- and second-year apprentices, as well as a $500 voucher to help pay course fees. There will also be three new technical colleges, adding to the 25 already in place.

Returning to the Higher Education Endowment Fund, when you look at universities around the world, you see that Harvard University had an endowment of $US25.9 billion in 2005. They are the best endowed university in the world. Yale had $US15.2 billion. Other universities in the United States, such as Stanford, Texas and Princeton, all have endowments greater than $US10 billion. The University of Cambridge, which has been going for 800 years or thereabouts, has an endowment equivalent to $1.5 billion and college endowments of $5 billion.

When we look at the Australian universities—which have not been going as long as Harvard or Cambridge—the greatest endowment any Australian university has is the University of Melbourne’s $800 million. The University of Sydney has $700 million. The University of Western Australia has a very good endowment. But a lot of universities do not have access to this level of endowment. The previous speaker mentioned the great expansion of universities under the Menzies government. A lot of those universities established in the 1950s and 1960s have not been the beneficiaries of bequests. Flinders University, which is central to my electorate, has an endowment of only $10 million. With the Higher Education Endowment Fund, universities will now have access to an endowment fund which, across Australia, is equivalent to what Cambridge University has—although it is still dwarfed by the top five American universities.

As well as providing an endowment worth $5 billion in an arrangement like the Future Fund, it is essential that we encourage a culture of individual and corporate philanthropy similar to that in the United States. There is a hope that we will get, on top of the $5 billion that we have contributed to the fund, more money contributed from businesses and individuals. There is provision for that. When we talk about corporate philanthropy, one of the great examples that I am fond of using is the Santos School of Petroleum Engineering at the University of Adelaide. It was announced in 2001 and at the time was the largest example of corporate philanthropy in the university sector. It was a great gift from Santos. It helped address a workforce need that they had, but it is a school that is for petroleum engineering and it benefits not just that one company.

The budget builds on a number of things that we have already achieved. In the electorate of Boothby, Flinders University re-
recently received $2.5 million towards the cost of a new building for the faculty of health sciences, through the higher education Capital Development Pool program. The CDP program supports proposals that assist in new campus developments in suburban growth corridors and regional centres. There has been almost $94 million allocated to Australian universities in additional funding from the CDP.

Flinders University also received $2.6 million from the Australian government to expand its popular fitness centre, through the $58 million voluntary student unionism transition fund. This was one of 37 projects across Australian universities that have benefited from this fund. Most of the universities which benefited from this fund were regional universities, but Flinders University put up a very good case for why their fitness centre—which is well patronised—should be able to expand. This has been a win-win for university students. What they have been able to do is enjoy the facilities that the doomsayers tried to make us believe would disappear, but at the same time university students have more money in their pockets every year to spend as they choose. They no longer have to pay compulsory student union fees.

I take this opportunity to note that the Labor Party and their shadow spokesman have said that the Labor Party will not reintroduce compulsory union fees, so compulsory union fees are now a thing of the past. The university unions are going forward. They are delivering services, but they are now focusing on their core business and not spending money as they used to on political campaigns. There has also been more funding at Flinders University, with $2.8 million for various life projects in October 2006. This included a fauna study, a project on hearing loss and English as a second language, a child and trauma memory project and a blood lactose monitor project. There was a $2 million Australian government grant in December 2005 towards the construction of a science innovation learning centre to support industry focused group projects in innovation and enterprise and to be a site for the demonstration and promotion of science and technology.

The initiatives in the budget reshape the higher education landscape. One of the problems with the Dawkins reforms is that they made all our higher education institutions universities—they did not focus enough on the important, different roles they all played. Our vision for the future—and we now have this—is to allow more world-class universities to emerge in Australia to encourage excellence and diversity and to allow greater scope for universities to adjust to student numbers, to respond to student demand, to address skills needs, to give more support for structural reform where required, to address the capacity of universities to meet local labour market needs and, of course, to improve learning and teaching standards.

There are several measures in this bill which will help achieve that. There is a $209 million Diversity and Structural Adjustment Fund. There is also a revision of the Commonwealth Grant Scheme, which will be directed towards the disciplines of mathematics and statistics, allied health, engineering, science and surveying, clinical psychology, education, nursing, behavioural science and social science and medicine, dentistry and veterinary science. Student contribution rates are based on graduates’ potential earnings, and the government’s decision has always been based on this. Thus, reflecting the higher salaries that graduates expect to receive over a lifetime, the maximum student contribution for accounting, administration, economics and commerce disciplines will be aligned with law. It is the decision of each individual university whether to raise the student contribution for these courses.
There is no doubt that higher education providers and students will gain from the increased flexibility. By receiving additional funding for some disciplines they will be able to respond more quickly to student and employer demand that will help them address skills shortages. Students will benefit from additional funding as the quality of courses will be improved via smaller classes, better course delivery and materials and equipment. This bill will also allow for the relaxation of caps on Commonwealth supported places and domestic full-fee-paying undergraduate student places. Instead of penalising universities for overenrolments, universities will now be fully funded for overenrolments up to five per cent in Commonwealth support places—up from the current one per cent. Additionally, the amendments will remove penalties for overenrolments above five per cent. Higher education providers will now receive the full amount of the student contribution for all the Commonwealth supported students they enrol.

A productive education system is critical to building the future prosperity of Australia. We need an education system that is responsive to the needs of students and employers, increases skills and boosts productivity and increases the quality of teaching in the major disciplines of literacy and numeracy, English, maths, science and Australian history. The bill also removes the cap on the number of full-fee-paying places universities can offer, which until now has been capped at 35 per cent. Universities, however, will still be required to offer their Commonwealth funded places before offering full-fee places. The ALP may call full-fee-paying students queue jumping by rich students, but we call it giving young people the opportunity to attend university. Labor fears of an education system being flooded with wealthy students are nothing more than another blatant scare campaign. The University of Adelaide Vice-Chancellor James McWha said, ‘I wouldn’t expect it to change by more than one per cent over the next two to three years.’

An additional question that is raised while debating this legislation is: how do Labor propose to compensate universities after they ban full-fee-paying students? A ban would leave the ALP with a compensation bill of $500 million for higher education providers, and that does not include private universities Bond and Notre Dame or postgraduate places. If the ALP propose to ban all full-fee-paying students, they will need to guarantee all universities will not be worse off. The University of Sydney’s Vice-Chancellor, Gavin Brown, said:

- I am saddened that, for ideological reasons, thousands of students would be denied educational opportunities of their choice.

The budget is a vision for the future of an education system that encourages excellence and that has the flexibility to provide the workforce that Australia will need in the future if we are to see our economy in the future perform as well as it is currently. The Australian government investment in higher education has increased 31 per cent in real terms over the last 12 years. The budget provides $1.9 billion for higher education plus, as I said, an additional investment of $5 billion in a perpetual Higher Education Endowment Fund. The Australian Vice-Chancellors Committee president, Professor Gerard Sutton, said the budget was ‘spectacular’ for the higher education sector. The government’s education blueprint for the future removes red tape and the constraint on flexibility. The number of those who want a place at university but cannot get one is at historically low levels. The policy on full funding overenrolments up to five per cent will effectively mean every student who wants a university place next year will be able to get one.
In my electorate are Flinders University and also the Waite Institute of the University of Adelaide. Both are excellent facilities. They will benefit from being able to access the Higher Education Endowment Fund and they may benefit from some of the increased flexibility that is now there, including the removal of the cap on full fee-paying places. As I said, we have recently made a number of funding announcements at Flinders University—$2.5 million for a sports centre and $2.6 million for a health sciences building. Similarly, at the Waite Institute we have recently announced money for the Australian Centre for Plant Functional Genomics and are working towards getting some Commonwealth money for the Wine Innovation Cluster, which is a very impressive facility. I support and commend the education minister for these budget measures.

Dr EMERSON (Rankin) (1.21 pm)—There is much to support in the Higher Education Legislation Amendment (2007 Budget Measures) Bill 2007, and Labor will support a significant number of the measures that are contained within it. In particular, we will be supporting the reduction in the number of Commonwealth Grant Scheme funding clusters because the government has argued that it will give universities greater flexibility in their capacity to allocate funds across courses. As you will see from what I have to say, I am a great supporter of extra flexibility in the university system.

The legislation also introduces three-year Commonwealth Grant Scheme funding arrangements to commence from 2009. It increases the total number of Commonwealth supported places. That certainly is a welcome measure, belated though it is. It and a number of the other provisions in this legislation are a response to Labor spending a great many hours in the parliament and outside arguing that our universities are under-funded and that there are not sufficient places for Australian undergraduate students. This is a matter to which I will return in a moment. The legislation also increases the number of Commonwealth scholarships from 8,500 to 12,000 a year and allows them to be paid by the Commonwealth directly to students. Again, Labor strongly supports the increase in the number of Commonwealth scholarships. The legislation introduces an Indigenous scholarship classification for up to 1,000 higher education Indigenous students. That is a beaut measure, and we certainly support that.

The legislation also allocates additional funding to universities to improve teacher education programs. It creates a new diversity and structural adjustment fund for universities, including the appropriation of an extra $67 million. Further, the legislation provides additional funding to the Australian Research Council for the period from 1 July 2007 to 30 June 2011. There are within this legislation substantial increases in support for higher education in Australia. Labor welcome that. We also welcome a provision that is related but is not in this piece of legislation—that is, the creation of a Higher Education Endowment Fund of $5 billion initially with extra funding from future surpluses going into that fund. That is a good measure.

But all of this is to be seen in the context of the Prime Minister of 11 years questioning Labor’s credentials when we have argued for extra funding for universities in Australia. I will not painstakingly take the parliament through the number of statements that the Prime Minister has made, but in 2005 on the Sunday program he criticised what he called ‘an obsession with increasing year 12 retention rates’ and argued that Australia would have been much better off if a lot more young people had left school early. He said that there was a preoccupation with everyone having to go to university, and not everyone does have to go to university.
In a literal sense, that is clearly true. But it is also true that Labor in government made a concerted and sustained effort to increase the number of young people who did go to university because we thought that it was very much in their interests and in the interests of this great country. The Prime Minister has been bemused at that. He has criticised it. We have had the former education minister, now the defence minister, on many occasions accusing Labor of snobbery in arguing the case for more young people to go to university and to have some relief from HECS. He thinks that that is elitist. He thinks that Labor MPs are snobs in arguing for that. It bemused me that here was a man who got a full university education; he did not choose to leave school early. He went on to become a doctor of medicine but thought it was very snobbish of Labor to suggest that others might do the same thing or undertake other university courses.

It has been a very disappointing debate over the last 11 years, but Labor has stuck to its guns and, at least in a significant part as a result of that pressure, the government has understood that in the most basic political sense it was vulnerable in the area of higher education. And that is when the government does react. It tends to react in election years. It reacts to political pressure rather than having a view about the nation’s future and the importance of investing in it. What better investment could we make than investing in the talents of our young people? When we talk about nation building, from the 1940s and 1950s right through to the current period, we talk about building bridges, roads and railways. What about building stronger communities and building the creative talents of our young people through extra investment in higher education? Is this not the new nation-building agenda, where we agree across the parliament and across the political spectrum that the greatest investment of all must be the investment in the talents and creativity of our young people?

There is much to support in this legislation. Labor do not support every aspect of the bill, and we do note in the second reading amendment that, as a proportion of total revenue, Commonwealth grants to universities have fallen from 60 per cent of the revenue of the universities at the change of government in 1996 to 40 per cent now, while university revenue derived from private sources of income has increased from 35 per cent to 52 per cent and revenue from fees and charges has increased from 13 per cent to 24 per cent. Those figures reveal that Australia has, in the 11 years of the Howard government, adopted a policy of substituting private contributions to higher education for public contributions. The OECD, in its regular report Education at a glance and in other OECD documents, has pointed out that Australia is arguably the only country—and if not the only country then one of very few countries over the last decade—that has substituted increases in private funding for increases in public funding.

The pacesetting countries have increased both public and private funding for universities, and Australia is one of the few countries that have not done that—in fact it has substituted it. A statistic from the OECD that the education minister does not like and which she challenges is this: over the last decade or so real government spending on tertiary education in Australia has gone backwards by seven per cent, whereas on average across the OECD it has gone forward by 48 per cent. It is quite fascinating that the Treasurer, the education minister and the Prime Minister spend a lot of time in this parliament glowing citing the OECD—perhaps on matters of industrial relations or economic reform—but, when the OECD produces these stark figures showing an increase across the OECD of 48 per cent in funding
for tertiary education but a seven per cent decline in Australia, the education minister cries foul and says that the statistics are wrong. The OECD has been putting forward these statistics, with minor revisions, for a couple of years now, and I would have thought the education minister would have had ample time and opportunity to make her case to the OECD as to why the figures are so wrong and to have them corrected. But the OECD has not corrected them. They tell a very sorry tale about university education in Australia and the lack of this government’s commitment to university education.

Another indicator of the lack of commitment is this fact: over the period of the present coalition government there has been virtually no increase in the number of Australian undergraduate enrolments in universities. There was a very tricky little exercise around Christmas when the education minister managed to convince one of the newspapers that there had been a lift in the last year or so, and in fact there had been, but it was off such a low base. For two years there was a decline in the number of enrolments of Australian undergraduate students. If you allow the numbers to fall it is not so remarkable when they increase again. What the minister did not tell the media at that time was that the most recent figures are virtually unchanged compared to 1996.

At a time when we should be making a massive investment in Australia’s future through higher education, schools, preschools and early childhood development, the government has presided over a situation where there has been virtually no growth in Australian undergraduate enrolments. Instead, our public universities have had to rely much more strongly on overseas full-fee-paying students, and that is why we have a situation where revenues from fees and charges have increased from 13 per cent of university revenue in 1996 to 24 per cent. It is a result of full-fee-paying Australian students, and before it was very substantially the result of foreign full-fee-paying students. That is just the way the government wants it. The government has a view—and this is one of the great dividing lines between the ALP and the coalition—that higher education is essentially a private good. By that I mean that most of the benefits of going to university accrue to the student and not to the wider community and therefore most of the funding should come from the student. That is the government’s philosophical view and Labor does not agree with it. Labor believes more strongly than the government does that there are wide and strong benefits for the rest of the community from young people gaining a university education.

I base that view in part on the work of Richard Florida, whose two books about the creative class argue that the prosperity of nations over the coming decades will be determined more than anything else by the ability of regions and countries to generate, attract and retain creative talent—that is, overwhelmingly university educated people. In these regions wages will be high and creativity and wealth generation will be strong, whereas, in those regions that are unsuccessful in generating, attracting and retaining creative talent, wages will tend to be low and will be lagging behind other parts of the national economy of those countries. Indeed, those countries that are unsuccessful in attracting, retaining and generating creative talent will languish in this great contest of the 21st century, and that contest will be for creative talent around the world. In the 21st century there is no doubt that this contest will be fundamental in determining the prosperity of nations as well as the level of tolerance of nations and parts of nations. It will be a very important contest and it is one that Australia has been very reluctant to participate in, overwhelmingly because the gov-
The government does not believe in the wider benefits of creativity and imagination in determining not only the prosperity of Australia in the future but also the fairness of our country and the sense of tolerance and compassion that we are able to display.

The particular measures to which I want to refer now include reducing the number of clusters funded under the Commonwealth Grant Scheme from 12 to seven. This would provide more flexibility to allocate places across different disciplines and respond to student and employer demand. As I said at the outset, I am a very strong supporter of greater flexibility in our universities. We are in danger of our public universities—which are becoming increasingly less able to access public funds and are taking on more of the dimension of private universities—being outcompeted by genuinely private universities because, as the total government funding of public universities falls but the regulation around them is not reduced, they will face a competitive disadvantage against private universities, which are less regulated.

So any measures that improve the flexibility of public universities to be able to adapt to changing demand for university places in particular disciplines are to be welcomed. That is why Labor welcomes that particular measure. But, as part of that, Commonwealth Grant Scheme funding for a number of disciplines is actually going to be cut, which will mean increased HECS charges for those disciplines. They are accounting, administration, economics and commerce. To use the government’s Orwellian language, the funding for these will be ‘adjusted downwards’—I think that is a cut—because, again, the government regards these disciplines as displaying much more the features of a private good rather than a public good. I am a trained economist. I think the government is saying that I capture most of the benefit of being a trained economist and the wider community does not. I suspect the Parliamentary Secretary to the Prime Minister, who is in the chamber, might agree with that observation. Nevertheless, it is important that those young people who are training for accounting, administration, economics and commerce not be deterred by higher fees from undertaking those endeavours.

One of the most curious statements that has been made in this parliament—and that really is saying something—was made by the Minister for Education, Science and Training when she said on a couple of occasions that because HECS is repayable out of future income it does not matter if there are increases in HECS because that will not deter students going to university. That is an absurd proposition. It is like saying: so long as you buy a car on hire purchase it does not matter what the price of the car is. So long as you put some bananas on lay-by it does not matter if the price of bananas goes back up to where it was when Cyclone Larry wreaked its devastation on North Queensland because it will be payable out of future income. It is just a crazy proposition. Maybe this is an argument for economics students not being deterred from university—because the minister could use a bit more economic advice. The very idea that simply because a payment will be made out of future income means that it does not matter if HECS charges are increased has to be one of the most remarkable statements since a senator—regrettably on our side of politics, as I understand it—back in the 1970s declared that traditionally most of Australia’s imports have come from overseas. The minister might be in that category with her claim that it does not really matter that HECS charges go up because they come out of future income. There will be deterrence as a result of HECS fee increases. There already has been—we have seen that in the levels of enrolments.
Using the same analysis, the minister has said, ‘Aren’t we’—the government—‘terrific because the level of unmet demand has been reduced to almost zero.’ If the objective of government policy is to eliminate unmet demand in our universities then the government could charge everyone $500,000 or $1 million in fees, because then there would not be any unmet demand; there would be no demand at all. Here we have the minister again saying that the role of government is to eliminate unmet demand. No, Minister. The role of government is to support the university education of our young people. The previous education minister actually told the Australian newspaper that he expected the number of university graduates to fall in Australia over the next decade or so. Such is the attitude!

In the remaining time I have I want to particularly welcome the extra Commonwealth scholarships for low-income students. This is a little bit similar to proposals that have been put recently by Professor Glyn Davis on behalf of the Group of Eight. I will just quickly remind members of parliament that I made such a proposal on 22 September last year when I said:

Students would be funded according to need through a system of Commonwealth scholarships with disadvantaged students receiving extra support.

So the government has picked up some good proposals here. I welcome them. We do not support everything in this legislation but it has come very late and only as a result of political pressure. (Time expired)

Mr JOHNSON (Ryan) (1.42 pm)—I am pleased to speak once again in the House of Representatives chamber in the Australian parliament as the federal member for Ryan representing the wonderful and beautiful western suburbs of Brisbane. I continue to have a strong passion in the area of education that this bill, the Higher Education Legislation Amendment (2007 Budget Measures) Bill 2007, is all about. Like so many Australians, I have a very keen interest in the quality of our higher education—not only as a member of the Howard government but also as someone who now sees education with different eyes because I am a new father. For me, looking down the track to when my young son might be eligible for education at a tertiary level, it is very important that he is in a position to enter university if that is his choice and that the quality of his education is first class—indeed, not only first class in this country but world class. So as the federal member for Ryan I want to speak in parliament today on this terrific bill and to commend it very generously.

The Howard government has made some very important changes to the university sector since it was elected in 1996. I think the benefits of those changes have gone unrecognised. I am very proud of what the Howard government has done. It has transformed the way universities operate. It has certainly put emphasis on quality teaching to ensure that students in the university and higher education sector are getting value for their money. In the Ryan electorate the University of Queensland is located at St Lucia. I think it is the premier university in the country. As a graduate of that university I am very proud to continue to lobby for it and to represent it and all the students who graduate from it. The quality of our universities is very important. Professor Ian Frazer, who was the 2006 Australian of the Year, developed his vaccine for cervical cancer from the campus of the University of Queensland. We can all be very proud of him and of that university. I know Queensl........
stitute for Cancer, Immunology and Metabolic Medicine, which is headed by Professor Frazer.

Contrary to some of the aspersions cast by the opposition, the Howard government has increased funding to the higher education sector by $2.5 billion in the last decade. This commitment is very worthy and we should be front and centre in promoting this in our electorates and to the people of Australia. It is important that they are made aware of the enormous investment of funds being allocated to universities across the country.

Education is the fourth biggest expenditure item behind social security, health and defence in our annual budget. The government spends $17.7 billion in education, which is clearly an enormous amount of taxpayers’ money, and all taxpayers are entitled to expect that their dollars are fully utilised by those who have stewardship over and administer the university sector. Based on the most up-to-date figures that I am able to get my hands on, that amount represents approximately $4,500 for every Australian currently in primary school, high school and university for this financial year alone. It is a lot of money and it is important that it is spent strategically and wisely in the interests of our students and the entire education sector.

In realising the government’s initiatives, the 2007-08 budget represents additional expenditure totalling $3.5 billion over the next four years, increasing from $534 million in 2007-08 to approximately $970 million in each of the following years. The lion’s share of this extra funding, some 57 per cent, will go to the education sector—24 per cent for schools and 19 per cent for vocational education and training.

This bill will realise our potential in higher education initiatives contained in the 2007-08 budget as announced by the Treasurer. It will revise the maximum funding amounts in accordance with the budget announcements for the Commonwealth Grant Scheme, other grants and Commonwealth scholarships. The Commonwealth Grant Scheme is, of course, a scheme through which the Howard government delivers HECS places across the country. Under the budget initiatives implemented in this bill, some $559.6 million over four years will see the Commonwealth grants structure significantly improved and the funding increased.

Funding will be increased for Commonwealth supported places in mathematics and statistics, allied health, engineering, science and surveying, clinical psychology, education, nursing, behavioural science and social studies, medicine, dentistry and veterinary science. As well as increasing the funding for the 2007-08 budget initiatives, there will also be important changes to provide greater flexibility to universities to allow them to allocate places across different disciplines and to respond faster to the demands of students and the requirements of employers. Some of these important initiatives are streamlining the current 12 funding clusters into seven and providing $223 million over four years to relax the caps on Commonwealth supported places and domestic full-fee-paying undergraduate places.

Under the relaxation of the caps on Commonwealth supported places, universities will now be fully funded rather than penalised for overenrolments of up to five per cent in Commonwealth supported places. This will give universities much-needed leeway in allocating HECS places as well as effectively eliminating unmet demand. Unmet demand is currently estimated to be around 12,000 places. However, the ability of universities to overenrol by five per cent has the potential to make room for an extra 21,000 students. This is an additional 2,244 HECS places in the state of Queensland alone. We are talking
about a significant number of students—some 21,000 students—having access to places at universities that they would not otherwise be entitled to. Additionally, while universities will be required to deliver specified Commonwealth supported places in nursing, teaching, medicine and engineering, they will now be allowed to adjust student numbers and course mixes to meet student demand and the needs of employers and the marketplace.

The final measure designed to give universities greater flexibility in tailoring their courses is the much publicised removal of the current 35 per cent cap on domestic full-fee-paying places. I listened to the Labor member for Rankin talking about this and I have never heard so much claptrap in my life, especially from someone who is trained in economics, has a PhD and was an adviser to a former Prime Minister. I find his understanding of this policy quite unusual and, at the end of the day, his and the Labor Party’s position will detrimentally affect thousands of students across the country. He says that students will not have access to places in our universities, notwithstanding that the merit of their academic grades will allow them to enter those universities, given that all full-fee-paying places are available.

Getting rid of the cap on full-fee-paying places was encouraged by the universities. They were in the ridiculous position of turning away students willing to pay for their courses—for example, business courses—while being unable to get enough students into funded places. This policy position from the opposition harms students across the country and impacts directly on their potential to earn a qualification or degree and to have an academic experience that will improve their job and career prospects.

It is fair to say that Labor’s policy is very ideologically driven, whereas the government’s is a nitty-gritty policy that impacts directly in the community amongst our young Australians who are seeking to have a very bright future commensurate with their ambitions, their aspirations and, of course, their talent. I want to quote Professor Gavin Brown, the very distinguished Vice-Chancellor of the University of Sydney. He summed up the situation quite well when he commented on Labor’s policy. He said:

I am saddened that for ideological reasons thousands of students would be denied educational opportunities of their choice.

The minister has of course made it very clear that where a university does not choose to offer additional full-fee-paying places it will have to have already offered all its Commonwealth allocated funded places. There is no inconsistency and no further impact with this policy or with the position that the government holds, so I very strongly commend it to the students across the country who might benefit enormously from having access to these university places. Given that the University of Queensland is in the Ryan electorate, this will be of especial interest to the young students of the high schools of Ryan who will be graduating at the end of this year and looking to get into university. So domestic full-fee-paying places do not in any sense at all rob any domestic students of a Commonwealth place. They are available only once all Commonwealth places in that course have been exhausted, and are above and beyond those places provided by the Commonwealth government.

Another Vice-Chancellor, Ross Milbourne from the University of Technology, predicts that the number of domestic full-fee places might actually fall due to ‘expansion in Commonwealth supported offers and the fact that universities can move Commonwealth supported places to high demand areas’. The University of Queensland’s own Vice-
Chancellor Professor John Hay is on the record as saying:

Lifting the cap on full-fee paying Australian students may seem politically audacious, but the levels of demand at present are very low and unlikely to increase for some time.

So there is no detrimental impact whatsoever and this spurious attack by the Labor opposition really shows that they have absolutely no depth at all in policy. Behind the PR, the marketing, the package, the advertising and the pretend fiscal conservative that the opposition leader tries to portray himself as, there is no depth or substance. Behind all that superb five-star Oscar-winning PR campaign, there is absolutely no depth and no substance whatsoever in the federal opposition. And I think that when the time comes the people of Australia will certainly see through the facade of the Labor opposition.

I know that the people of Ryan will take a very strong interest in the policy depth of the opposition. I wonder whether on this occasion they will be sending all their shadow cabinet ministers into the Ryan electorate to campaign for the local Labor member, as they did last time. It might be interesting to note for the House that for the last campaign when one Mark Latham was seeking to be the Prime Minister of this country, half the shadow cabinet of the day came into the federal seat of Ryan to try to campaign for him. What happened? The vote went up in Ryan for the Liberal Party, which is fantastic of course.

In terms of this bill, the Howard government is very keen to ensure that the students of Australia are full recipients of the wonderful economy that we have and the wonderful stewardship of the nation’s economic prosperity. I think that is critical to present to the community because we are in the business of ensuring that the prosperity of the nation does go towards investing in the people of Australia and of course in the generations to come, and education is front and centre in the future of our nation. With the budget the government will provide some $208 million over four years to assist universities to specialise and diversify. This really does complement the Howard government’s previous higher education reforms and further implements the policy to remove the one-size-fits-all model in the sector.

Complementing the Realising Our Potential higher education initiatives in the budget is the very innovative Higher Education Endowment Fund, and I want to comment just briefly on this. The Higher Education Endowment Fund really is very visionary and practical, a policy for the future of this nation. It will stand the young people of Australia tremendously well. The Higher Education Endowment Fund will ensure that a strong, well-resourced higher education sector is in place for the students of tomorrow—$5 million is locked up in the bank to ensure that the students of tomorrow prosper from that.

I want to refer to some comments by the very distinguished JD Story Professor of Public Administration at the University of Queensland, Kenneth Wilshire. I point out that Professor Wilshire chaired the review of the Queensland school curriculum under the Goss Labor government so he is someone with a very fine reputation, respected by both ends of the political spectrum in our country. In last week’s *Australian*, on 7 June, he described Kevin Rudd’s education revolution as being: ‘about six dot points in search of a rationale’, containing little detail of how the measures would be implemented. He went on:

There’s no guarantee whatsoever just because the state governments are the same political party Mr Rudd is going to get their co-operation ... Public policy by definition should have content, its rationale, the tool of implementation.
But the ‘education revolution’ has no costing, no delivery mechanism; it needs to be spelt out in far more detail.

He continued, and this is the very significant point here:

I fear Mr Rudd’s creating a noodle federation, with some states referring powers to the commonwealth and some states not.

I could go on. He was making some very salient points and I would commend Professor Kenneth Wilshire’s comments about Rudd’s professed education—

The DEPUTY SPEAKER (Mr Jenkins)—Order! The member will refer to the Leader of the Opposition by his title.

Mr JOHNSON—The Leader of the Opposition has enormous respect for Professor Kenneth Wilshire so he might want to pick up the flow and call Professor Wilshire and see what he has to say. One trillion dollars for a nation of 20 million people—the 13th largest economy in the world—with 0.3 of the world’s population is very significant and I think that the Howard government stands to be commended for its wonderful policies that make a difference in creating prosperity for this country.

I am very proud to say that my electorate of Ryan has 1.8 per cent unemployment. Some 10 years ago that figure stood at some six per cent. When the Howard government came to office there were remarkable changes in the character of our country and the character of our economy to make a difference. One other very significant point that needs to be put forward is that some two million new jobs have been created since 1996. For those who are from the state of Queensland, let me just give you the flavour. That represents 40 Suncorp stadiums full of jobs. The city of Brisbane—

The SPEAKER—Order! It being 2.00 pm, the debate is interrupted in accordance with standing order 97. The debate may be resumed at a later hour and the member will have leave to continue speaking when the debate is resumed.

QUESTIONS WITHOUT NOTICE

Older Australians

Mr RUDD (2.00 pm)—My question is to the Prime Minister. Will the Prime Minister support Labor’s call for a Senate inquiry into the impact of the rising cost of food, petrol, gas, electricity and dental services on the living standards of older Australians?

Mr HOWARD—Let me say to the Leader of the Opposition that we would be delighted to have an inquiry into matters affecting older Australians. I can assure the Leader of the Opposition that the government would be very happy to see a Senate inquiry. It is, of course, for both of us to leave it to our peers in another place to decide these matters, but we certainly have no objection.

It would allow, for example, the government and other sections of the community to review many of the measures that have been introduced by this government to assist older Australians. It would allow us to remind the opposition and the general public that, from 1 July this year, the most spectacular and beneficial change to superannuation in Australia ever will occur, to the benefit of Australians over the age of 60—which many would not regard as particularly old, so let us say Australians of mature middle years—but that is only the half of it.

In September of this year, there will be an effective halving of the assets test on the aged pension. You will remember that the assets test was brought in for the first time in 1983 by the Hawke government, and effectively this is the first major revision and major expansion of the eligibility criteria applying to the assets test. We could remind the opposition that it was this government that legislated to ensure that the pension was
maintained at 25 per cent of male total average weekly earnings as well as indexed to inflation.

We could talk about the introduction of the senior Australians tax offset; the pension bonus scheme; the utilities allowance; the bonus payments to older Australians and carers in recent budgets, including in this year’s budget; and the relaxation of the assets test for the age pension by increasing the maximum amount of private land attached to the principal place of residence that is exempt from the assets test. We could also remind the opposition that it opposed the introduction of the Medicare safety net, which is of enormous benefit to older Australians. I remind the Leader of the Opposition that 80 per cent of all medical and pharmaceutical costs are run up by older Australians.

Can I just say to the Leader of the Opposition that, since March 1996, single and partnered pensions have increased by over 49 per cent, which is an increase of 19 per cent in real terms. Let me also remind him that 85 per cent of people over age pension age qualify for an Australian government concession card—that is, the Commonwealth seniors health card, the pensioner concession card or the health card.

I could go on, but let me say that the government will welcome this inquiry. It believes that it has consistently, over the last 11 years, introduced measures to ease the cost pressures on older Australians. I do not pretend for a moment that everything that could be done has been done, but let me say to older Australians that the stability, the low inflation, the good economic times, the alterations, the dividend imputation credits and all the other things that have been brought in as part of tax reform have all worked to the great benefit of older Australians and we will be very happy to talk about our record before the Senate inquiry.

**Workplace Relations**

**Mr WOOD** (2.04 pm)—My question is also addressed to the Prime Minister. Would the Prime Minister outline to the House how labour market reform has helped to strengthen our economy? Is the Prime Minister aware of campaigns to undermine these reforms, and what is the government’s response?

**Mr HOWARD**—I thank the member for La Trobe for his question. Let me note, in thanking the member for La Trobe, that in March 1996 unemployment in La Trobe was 6.2 per cent. I am now happy to report it is only 3.4 per cent. One of the reasons unemployment in La Trobe is lower is that this government has reformed Australia’s industrial relations system. One of the reasons unemployment in La Trobe would go up if a Labor government were elected at the end of this year is that the Labor Party, under pressure from the union movement, would destroy the industrial relations reforms of the last 11 years.

What is really at stake when you talk about industrial relations in this country is the maintenance of a 33-year low in unemployment. If you go through the last 11 years and look at the three episodes of industrial relations reform—in 1996, in 1998 with the waterfront and again in 2006—all of those reforms contributed enormously to reducing Australia’s unemployment level. We now have the lowest unemployment rate in 33
years. We have seen real wages rise by 20.8 per cent since 1996, compared to a reduction of 1.8 per cent when the unions last ran Australia under the Hawke and Keating Labor governments.

Incredibly enough, despite this record, and despite the fact that we now have fewer strikes in Australia than at any time since 1913—despite all those facts—the union movement is insisting that if Labor wins the next election then the industrial relations reforms that have contributed so much to reducing unemployment must be reversed. I cannot think of anything more calculated to damage the confidence of the small business sector of Australia, which employs so many people, than the determination of the Labor Party, at the behest of the union movement, to abolish the unfair dismissal changes that we brought in 15 months ago. Those unfair dismissal changes have literally emboldened small business to take on more staff. There can be no other explanation for the extraordinary statistic that tells us that, in the last year, the number of long-term unemployed in this country has fallen by 23 per cent, and the number of long-term unemployed in this country has fallen by 23 per cent, and the number of long-term unemployed—let me tell the Leader of the Opposition—is now at its lowest level since the statistic first began to be compiled more than 20 years ago. This is a result of small business knowing that it is free from the trauma of dealing with unreasonable, unfair dismissal laws.

But the union movement wants to change all of that. A document has come into my possession, which is euphemistically entitled Federal election 2007: union political strategy manual 6 steps. That is the description of it. The real description is: this is the dirty tricks manual which is designed—

Mr Crean interjecting—

Mr Howard—Oh, the sound effects man—he knows all about dirty tracks manuals produced by the union movement. He is right on cue—a former president of the ACTU. I wonder how many more of them we are going to hear from today. Mr Speaker, if you think I exaggerate and if you think I am being unfair to the trade union movement of Australia by calling this a dirty tracks manual, let me refer to page 46. This is a manual which is given to union activists who are going out and ringing up fellow unionists and knocking on their doors. Can you image the poor unionist in Western Australia who has got Kevin Reynolds knocking on his door—or Joe McDonald knocking or bashing the door down? Can you imagine how that person might feel? But if you think I am exaggerating any of this, on page 46 the instruction is given as to how to talk to your fellow unionists. After advising the union member—that is, the person doing the talking—to totally misrepresent the intent and the operation of the government’s law, there is a request at the bottom of this instruction that says—and listen very carefully to this:

Don’t Read Out (Minimum wage, 4 weeks annual leave ... 10 Sick/carer’s leave; 38 hour week; Unpaid parental leave)

In other words, what this manual does is to exhort the union canvassers to lie about the government’s policy. It warns the unions: ‘Don’t tell the truth about our policy, don’t tell the unionist that you are actually entitled to a guaranteed minimum wage, don’t talk about a 38-hour week, don’t talk about four weeks annual leave, don’t talk about sick leave or carers leave and don’t talk about parental leave, because the poor unionist might actually think that’s not a bad deal, so the last thing you want to do is to tell the truth about the government’s policy.’

This document is a dirty tricks manual, and it is calculated, through techniques of misrepresentation, push polling and the like, to achieve one purpose, and that is to install the Leader of the Opposition as Prime Minister. The union movement is not interested in
workers; it is interested in power for union bosses, and this document, this manual, is all about achieving that objective, and the puppet along the way is going to be the Leader of the Opposition.

DISTINGUISHED VISITORS

The SPEAKER (2.12 pm)—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from Malaysia led by the Speaker of the Malaysian House of Representatives, the Honourable Tan Sri Ramli. On behalf of the House I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Federal Election

Mr ALBANESE (2.12 pm)—My question is to the Prime Minister. I ask the Prime Minister: how many taxpayer funded government staffers today attended a secret ‘polling day preparation session’ between 10 am and 12 noon in room 2S3 in Parliament House hosted by the government members’ secretariat, otherwise known as the Howard government’s dirt unit?

Honourable members interjecting—

The SPEAKER—Members will come to order. The Prime Minister has been asked a question and the Prime Minister will be heard.

Mr HOWARD—Let me say in reply to that question that I can assure the House that government staff always behave appropriately.

Economy

Mr KEENAN (2.14 pm)—My question is addressed to the Treasurer. Would the Treasurer inform the House of the results of today’s consumer sentiment surveys? What are the threats posed by a return to a centralised industrial relations system? Is the Treasurer aware of any new plans to increase union power?

Mr COSTELLO—I thank the honourable member for Stirling. I can inform him that, although the Westpac index showed a modest fall in consumer sentiment in June, that was from the highest level ever recorded. The consumer sentiment index is still 17 per cent higher than at the same time last year, which is good news for consumers. In addition, the Sensis consumer sentiment report for the month of June showed that consumer confidence was at a net balance of 59 points—almost 20 points higher than at the same time last year. So consumers are confident, employment is strong, the economy is growing and more Australians are in work than ever before. But all of that could be at risk if we have a puppet government elected to do the bidding of the ACTU, by changing industrial relations in this country, setting off unsustainable wage demands and reintroducing unfair dismissal laws. This is a very real threat to the Australian economy. The Australian economy is finely tuned, finely calibrated—and, if the ACTU gets itself back in the driving seat of this formula 1 car, it will be heading to a crash as sure as night follows day.

I have come into possession of the ACTU’s manual on how it intends to get itself back in the driving seat of the Australian economy by installing a puppet Labor leadership on its behalf. As the Prime Minister said, this is an ACTU manual on how to engage in dirty tricks—a manual which has been endorsed by none other than the Leader of the Opposition. Get a load of this. The ACTU says that union leaders have to make phone calls as follows:

In the first call, the aim is to educate, inform and derive a profile of the member which can be used to tailor future calls. The follow-up call will use this information to raise issues that we know will concern the member.
I bet you know how to concern the member when you make the follow-up call! The manual then encourages Labor apparatchiks and unionists to penetrate and use community groups for this campaign. The ACTU recommends entering homes with churches and faith groups so that they can use those groups for the industrial campaign. I would warn Australians of this: the next time you hear your doorbell ring on a Saturday morning, do not answer the door, because it could well be elder Dean Mighell of the church of latter day unionists who has come around to tell you about your rights at work.

But it is not only about church groups and community groups; get a load of this: Sharan Burrow was on radio 3AW this morning saying, ‘We’re going to work in sporting areas and volunteer organisations like Meals on Wheels.’ So the ACTU is now going to penetrate Meals on Wheels so that it can get inside people’s houses and advise them on how to vote. So you will hear the doorbell ring and then: ‘Sharan Burrow, Meals on Wheels, here. I’d just like to come in and talk to you about the ACTU campaign.’ That the ACTU would try to penetrate these groups to get inside people’s homes to run its agenda shows not only complete and utter disrespect for churches and community groups but also a threatening attitude to Australians in their homes.

A former Prime Minister claimed on Late-night not so long ago that he had to get the ACTU in a headlock. With modern Labor, it is the ACTU that has the headlock—it has a headlock on Kevin Rudd, the Leader of the Opposition. He is the frontman that is being put up by people who are much more aggressive and much more threatening than him because they want a patsy in the Lodge to run their agenda. The decent people of Australia do not deserve to be treated like this and they do not deserve this deceitful campaign from the ACTU.

Liberal Party

Mr ALBANESE (2.21 pm)—My question is to the Prime Minister. Can the Prime Minister identify one other venue in Australia—let alone one with the spectacular harbour views from Kirribilli—where one can entertain 225 people and feed them oysters, prawns and other gourmet food for less than $10 a head? Is the Prime Minister aware that the cocktail food menu at St George Leagues Club for an equivalent function of two hours is good value at $22 a head? Prime Minister, when are you going to come clean on the real cost of your taxpayer funded function at Kirribilli?

Mrs Bronwyn Bishop—Mr Speaker—

Opposition members interjecting—

The SPEAKER—Order!

Mrs Bronwyn Bishop—Mr Speaker, I rose to make this point of order—

Opposition members interjecting—

The SPEAKER—Order! The member for Mackellar will resume her seat. When a member has the call, the member will be heard. I will take action.

Mrs Bronwyn Bishop—I rose to raise my point of order, whilst the question was halfway through, to point out that a question—

Mr Danby interjecting—

The SPEAKER—The member for Melbourne Ports is warned!

Mr Laurie Ferguson interjecting—

The SPEAKER—The member for Reid is warned!

Mr Ripoll—Is that the Shroud of Turin?

Mr Abbott—Mr Speaker, I rise on a point of order. I heard from members opposite a reference to the Shroud of Turin. We really should not have that kind of behaviour in the House, especially from this opposition leader’s opposition. I think that reference should be withdrawn and apologised for.

CHAMBER
Mr Howard—In answer to the question, I repeat the answer that I gave yesterday: all the additional costs of this function have been borne by the Liberal Party.

Workplace Relations

Mr Henry (2.24 pm)—My question is addressed to the Prime Minister. Is the Prime Minister aware of the latest Australian Bureau of Statistics industrial dispute figures? Are there risks to the level of industrial dispute in Australia?

Mr Howard—I thank the member for Hasluck for his question. It is not surprising that he should demonstrate an interest in these matters. Not only does he have a very distinguished background in small business and an understanding of the sorts of economic policies that are needed for small business to flourish in Australia, but also he represents an electorate where the level of unemployment in March 1996 was 7.4 per cent and is now only 3.5 per cent. It is precisely an electorate like this—electorates like Hasluck, Stirling and other electorates in Western Australia—where the economic policies of this government have delivered such outstanding benefits over the last few years. The member for Hasluck asked me about the level of industrial disputes. I can inform him—

Mr Edwards interjecting—

Mr Howard—The March quarter industrial dispute figures were released last week by the Australian Bureau of Statistics, and they show the lowest level of industrial disputes ever recorded in Australia. I had previously been saying that they were the lowest since the year before the Great War broke out. They are in fact the lowest level ever recorded in Australia. That should be something of universal pride and universal satisfaction around the country. The figure is 0.8 working days lost per thousand employees. These figures have been kept since before World War I. In the March quarter, the construction industry recorded only 1.5 working days lost per thousand employees, and that compares with 32.8 per thousand employees. That is going from an unacceptably high level in that industry to virtually zero. Nobody can argue the veracity of these figures. Nobody on the other side can suggest that these figures are wrong. Is anybody on the other side saying that this is a bad development? Is anybody pretending that this is something they do not want?

In the face of the sounds of silence from the other side, I might ask a rhetorical question: why on earth do you have a policy that would bring all of this to an end? That is essentially what the Labor Party are on about. These figures are further proof that the government’s workplace reforms have helped to keep the economy strong, and there is an enormous risk if the instructions contained in the dirty tricks manual—to which I have referred and the Treasurer has referred—are successful. Let there be no doubt: the goal of
the ACTU is to restore the power of union bosses in this country. It is not to get a lower level of industrial disputes, because you cannot really get any lower than the figures I have mentioned. It is not to get a lower level of unemployment, because when Labor were last in office, unemployment was double what it is now. It is not to get higher real wage growth, because under us real wages have gone up by 20 per cent. The last time the unions ran the country, in the Hawke-Keating years, real wages actually went backwards. What the union movement wants is what Greg Combet candidly admitted when he addressed that rally in Adelaide. He said, ‘There was a time when the unions ran Australia, and it would be a good idea if those days were returned.’

They are using the present Leader of the Opposition. He is the proxy for the trade union movement. He is the patsy, the proxy, the delegate, the surrogate, of the union movement in order to achieve these objectives. But every aspect of Labor Party industrial relations policy is dictated by the union movement. The language is even the same. The Deputy Leader of the Opposition has described the treatment of people under the building industry commission as akin to the treatment of terrorists. I thought that was original language, but I find in fact, when I have a look at the dirty tricks manual, that is language that is employed in the dirty tricks manual. You go through that document again and again and you find a similarity of language. What this document reveals is the ruthless determination of the union bosses of this country to use deceit, dishonesty and misrepresentation to achieve their objective, and that is to run Australia again, through the courtesy of the puppet Leader of the Opposition.

Liberal Party

Mr PRICE (2.30 pm)—My question without notice is to the Prime Minister. Is the Prime Minister aware that a two-hour canape package at the Opera House’s Guillaume restaurant, which shares harbour views across from Kirribilli House, costs $60 per person with drinks extra—

The SPEAKER—Order! The member will come to his question.

Mr PRICE—room hire is $6,000 and the minimum spend is $30,000?

The SPEAKER—That question, as I heard it, is not within the Prime Minister’s responsibilities. If the Chief Opposition Whip would like to rephrase his question, I will listen. The Prime Minister is not responsible for prices at another place in Sydney.

Mr PRICE—I refer to the Prime Minister’s response about his Kirribilli House function being part of a hospitality package for conference delegates and business personnel. Is the Prime Minister aware that a two-hour canape package at the Opera House’s Guillaume restaurant, which shares harbour views across from Kirribilli House, costs $60 per person with drinks extra, room hire is $6,000—

The SPEAKER—Order! The member will come to his question.

Mr PRICE—and the minimum spend is $30,000?

The SPEAKER—that question is not within the responsibilities of the Prime Minister.

Roads

Mrs HULL (2.32 pm)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the Deputy Prime Minister advise the House of the coalition government’s investment in roads across Australia, including in my electorate of Riverina? Are there
any threats to this investment, and what is the government’s response?

Mr VAILE—I thank the member for Riverina for her question. The member for Riverina would be aware that the government, over the 10-year period from 2004 to 2014, will invest $38 billion in Australia’s land transport programs—$38 billion into the road and rail networks across Australia—including some significant projects in the member for Riverina’s electorate, particularly on that critical arterial link between Melbourne and Sydney, the Hume Highway, a very important piece of infrastructure.

That could all be put at risk if there were to be a Labor government elected in this country this year. You may ask why, Mr Speaker. First of all, the poor economic management background of a Labor government would indicate that there would not be $38 billion left available. They would go and spend it elsewhere. But, more importantly, the representatives of the union movement would come back into control of those construction sites. Mr Speaker, you would be well aware that there has been a Royal Commission into the Building and Construction Industry in Australia, and that royal commission indicated that there was a cost element of 20 per cent for the intimidation and involvement of the union movement in construction across Australia—so, of every dollar that the Labor Party would spend on construction, only 80c would end up on the roads, because the rest would be frittered away with the intimidation by the union movement.

Mr Speaker, you may ask, ‘How is that so?’ Before the royal commission into the construction industry was held, we were participating, with the New South Wales government, in projects on the Pacific Highway on the North Coast of New South Wales. There happened to be a company from my electorate that won a contract on a project called Tandy’s Lane, on the Pacific Highway, that involved duplicating 5.5 kilometres of the highway north of Ballina. Hackett Laboratory Services won a tender for soil and concrete and environmental testing of that site. The company paid award wages and superannuation to its employees. The CFMEU entered the workplace and demanded that it sign a union based enterprise bargaining agreement that it could not afford, demanded that it become a closed shop—no ticket, no start—and demanded that it switch its superannuation payments across to the union super fund.

Prior to the building and construction industry royal commission of inquiry and the changes in that industry, that is what used to happen. When that company refused to accede to the demands of the CFMEU, the union took industrial action and pressured the prime contractor to throw that contractor off the site. The CFMEU almost sent that small business broke because of the way that they wanted to intimidate and control that workplace. That is what the union movement wants. That is why they are running this campaign, that is why they are putting together this strategy: so that they can continue to enter the workplace—in the way they always used to in this country under Labor governments—intimidate bosses, cost jobs, put the cost of jobs up and put the cost of contracts up. That is the strategy.

On page 8 of this strategy manual from the ACTU it says, ‘Members who are still undecided at the time of the election will need to be visited at home.’ We know what that means, because they visited the workplace of this small business on a construction site and nearly put them out of business. They will come knocking on the door of those members, and they will not be there to ask, ‘How are the kids and the grandkids?’ They will be there to demand their vote and
to run their strategy. Make no mistake, Mr Speaker, this campaign is about getting the unions back in control of Australia, getting them back in every workplace in Australia. The unions will be in charge of this country, not an ALP government led by the member for Griffith.

**Liberal Party**

**Ms Bird (2.37 pm)**—My question is to the Prime Minister. I refer the Prime Minister to the Liberal Party’s fundraising function at Kirribilli on 1 June. Can the Prime Minister confirm that he gifted his Kirribilli House staff and the venue to the Liberal Party for the duration of the function?

**Mr Howard**—The premise of the question is wrong. It was not a Liberal Party fundraising function.

**Taxation**

**Mr Vasta (2.38 pm)**—My question is addressed to the Treasurer. Would the Treasurer inform the House how changes to the tax and family benefits system are assisting Australian families? Is the Treasurer aware of any alternative approaches?

**Mr Costello**—I thank the honourable member for Bonner. I can say without a shadow of a doubt that he is the best member of parliament that Bonner has ever had.

**Ms Roxon interjecting**—

**The Speaker**—The member for Gellibrand is warned!

**Mr Costello**—One of the highest priorities of this government has been helping families, because we believe that there is no more important institution in Australian society than the family, which is the natural unit for raising children and preparing them for life and building our future as a society and a country. That is why this government has been cutting income taxes and increasing family benefits. In 2007-08, a single income family with two children on average weekly ordinary time earnings will have a disposable income in real terms 34.6 per cent higher than they had in 1996. A big part of that has been tax cuts. The government has cut all tax rates and raised the thresholds at which they apply.

A very strange document was given out in a clandestine way yesterday. It was a document prepared by the member for Lilley, which he apparently distributed to his MPs but did not put on the website and did not put out publicly. I had to purloin a very badly photocopied copy—and I would ask members of the media, if they have a better copy, whether they could give it to me in due course. It was not put out publicly. Normally, when you put out an expose on the government you put it out for the world to see, because it is supposed to be an expose. I have never in my life before heard of a secret expose—but then we have never had someone like the member for Lilley before, have we?

One of the alleged myths—according to this secret expose—that I am going on about is my claim that Labor does not have a tax policy. The secret expose says that Labor does have a tax policy: ‘In May 2005, Labor outlined its alternative tax plan.’ Have a think about that date of May 2005. I had to think about that myself. What happened in May 2005? I can tell you this: the member for Brand was the Leader of the Opposition. This is a pre-Ruddite tax policy. Apparently, it still stands, because it is a myth to claim that Labor does not have a tax policy when it has a tax policy and it was released in May 2005. One of the things that is apparently in this policy is that the 30c rate should cut in from $26,400. In fact, it cuts in from $30,000, so if this policy stands that would be putting tax up for people earning between $26,000 and $30,000. If this policy still stands, the threshold for the 42c rate should be raised to $67,000. There is no 42c rate. The 42c rate has been abolished. There is a
40c rate. If this policy stands, the 47c rate should go up to $100,000. There is no 47c rate. There is a 45c rate, and it cuts in not at $100,000 but at $150,000 and soon will cut in at $180,000. This is apparently the tax policy that still stands. The only way in which it could be interpreted is that the Labor Party will raise rates and lower thresholds.

No wonder the heads are down on the back bench, because this document has been circulated in all seriousness to members of the ALP. You might get away with this stuff at a local branch meeting. But in the court of public opinion, where taxes count and mean something, you cannot go on with this rubbish; you have to actually have an economic policy. I quote:

When the history of this parliament, this nation and this century is written, 30 June 1999 will be recorded as a day of fundamental injustice—an injustice which is real, an injustice which is not simply conjured up by the fleeting rhetoric of politicians. It will be recorded as the day when the social compact that has governed this nation for the last 100 years was torn up.

Who said those words?

Mr Hockey—Churchill.

Mr COSTELLO—No, it was not Churchill.

Mr Abbott—FDR.

Mr COSTELLO—No, it was not Roosevelt.

Mr Hockey—John Kennedy.

Mr COSTELLO—No, it was not Kennedy.

Mr Abbott—The Dalai Lama.

Mr COSTELLO—It was not the Dalai Lama. This was said in the parliament—that this was not ‘fleeting rhetoric’, that this was ‘a day of fundamental injustice’. Who said those words? None other than the Leader of the Opposition, the economic conservative.

The ‘day of fundamental injustice’ was when we swept away wholesale sales tax, financial institutions duty, bank account debits tax, stamp duties on share transactions, when we cut income tax rates, when we increased thresholds—that was ‘a day of fundamental injustice’. Now he says it is a myth to claim that Labor has no tax policy because the tax policy is the Beazley tax policy of 2005. When you are getting ready, seriously, to engage in a policy discussion, the Australian people are entitled to look at it and know what it means, but this is not an opposition that is anywhere near that point.

DISTINGUISHED VISITORS

The SPEAKER (2.45 pm)—I inform the House we have present in the gallery this afternoon members of a parliamentary delegation from Mexico accompanied by the ambassador from Mexico to Australia. On behalf of the House I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Liberal Party

Mr RUDD (2.45 pm)—My question is to the Prime Minister. I refer to the Prime Minister’s answer to the previous question on the Kirribilli function for business observers paying to attend the Liberal Party Federal Council when the Prime Minister said, ‘It was not a Liberal Party fundraising function’. If the Kirribilli function was not a fundraiser for the Liberal Party, why is $5,100 repayment being sought from the Liberal Party?

Mr HOWARD—For the very good reason that other people attending the function were delegates to the federal council meeting.

Mr Tanner interjecting—

The SPEAKER—The member for Melbourne is warned!
Workplace Relations

Mr CAMERON THOMPSON (2.47 pm)—My question is to the Minister for Employment and Workplace Relations. Is the minister aware of claims that state government employees might be forced out of their current employment arrangements? Do any such plans exist and what is the government’s response?

Mr HOCKEY—I thank the honourable member for Blair for his question and note that the unemployment rate in Blair is down to five per cent. I can inform the House that under our workplace relations system employees of state Labor governments, such as nurses and teachers, remain employees of the state, and nobody is forcing them to change from the state system to the federal system. That makes a lie of the claims by the Deputy Leader of the Opposition and the union bosses that somehow we have a secret plan. There are a lot of secret plans. I am aware of the dirty tricks book. Mine is a little bit more fun than everyone else’s. I have been having a good look at it. In one of the sections of the dirty tricks book, when it comes to training union delegates it says, ‘Some organisations such as the Rail, Tram and Bus Union in New South Wales, which has 13,000 bus drivers, are bringing their delegates in for a one-day course run by the ACTU on doorknocking.’ No wonder there are 1,500 bus services cancelled a week in New South Wales. All the bus drivers are out training how to doorknock for the Labor Party.

I thought: what would they take when they are doorknocking? So I come to page 40 of the dirty tricks manual. Get a load of this. Anyone who has ever doorknocked will find this interesting. ‘The suggested checklist for doorknocking kits: a nametag for volunteers, script, voter enrolment forms, citizenship forms, clipboards, pens, Your Rights at Work pamphlets, Your Rights at Work network information, local maps, public toilet listing, evaluation forms, contact details, contact details of the other coordinators.’

These poor buggers are going and knocking on the door. Obviously they left the knuckledusters and the hammer and sickle out of the backpack. Who would be capable of this? Kevin Reynolds from the CFMEU comes doorknocking. You can imagine: he goes into the nursing home and doorknocks on grandma’s door. Imagine seeing Kevin Reynolds there with his Che Guevara T-shirt or Joe McDonald from the CFMEU taking care of people in the hospital with his ‘no ticket no start’ braces and his backpack with a hammer and sickle. And of course, as the Treasurer outlined, there is Dean Mighell, elder Mighell from the ETU in Melbourne. You can imagine him delivering Meals on Wheels. You can imagine the script as he is delivering Meals on Wheels: ‘Here, love, my name is expletive Dean. I am from the expletive ETU. Here is your expletive steak and three vegies, and if you do not vote for Kevin expletive Rudd I am not going to give you your expletive meal.’

The SPEAKER—Order! The minister will refer to the Leader of the Opposition by his title.

Mr HOCKEY—The expletive Leader of the Opposition. That is what the Dean Mighell tagline is. Mr Speaker, we could laugh about it if it were not so serious. It is a fact that this is the Labor Party root and branch. This is what they are about. They are about the interests of the union bosses—they are not about the workers of Australia.

Liberal Party

Mr RUDD (2.51 pm)—My question is again to the Prime Minister, and I refer to his answer to my previous question. Will the Prime Minister confirm that no repayment has been sought from the Liberal Party for the costs incurred in hosting the business
observers from the Liberal Party Federal Council who attended the welcome reception at Kirribilli House?

Mr HOWARD—The arrangement which was confirmed by my department as being appropriate was simply this: provided we are not a fundraising event and provided the costs of the function, as assessed by my department, were borne by the Liberal Party, it would be in order for those who attended to attend.

Workplace Relations

Miss JACKIE KELLY (2.52 pm)—My question is addressed to the Minister for Health and Ageing. Is the minister aware of claims that Australian workplace agreements are being forced on nurses as part of the next Australian health care agreements? Is the ACTU trying to recruit healthcare workers to a political campaign? What is the government’s response?

Mr ABBOTT—I thank the member for Lindsay for her question and I make the point that, while members opposite are trawling through the Kirribilli House trash cans, this government is getting on with the job of delivering better services to the people of Australia. Let me make this point: you cannot enjoy the benefits of economic reform without the reform. We do not have 3.8 per cent economic growth and 4.2 per cent unemployment by accident. We have those great results in part because of the workplace relations policies of the Howard government. I say to the little conclave opposite: by all means change back to the policies of the former government, but you cannot have those policies without also having those consequences, which were declining real wages and one million people unemployed.

We have heard today about the ACTU’s dirty tricks manual. On Radio National this morning the boss of the nurses union was asked: ‘Will your membership be recruited as part of that marginal seat campaigning?’ Jill Iliffe said, ‘I would imagine so.’ So not only do you have the midnight knock from Kevin Reynolds and Joe McDonald but now you have the politicisation of every hospital. In fact, the ACTU’s dirty tricks manual cited as a case study what was done at Nepean Hospital in the electorate of Lindsay, and the New South Wales Nurses Association spent $1.2 million trying to secure the re-election of the Iemma government. So if the ACTU has its way, every hospital will not be a care centre; it will be a centre for political activism. Patients will get indoctrination with their medication. Patients will be offered brainwashing with standard health care at the bedside. No wonder the elective surgery lists are blowing out so badly in New South Wales hospitals; it is because the nurses are all at ACTU indoctrination lessons.

Also on Radio National this morning, the leader of the nurses union was asked about claims that the government has some secret plan to force nurses onto AWAs. She was asked: ‘Has that spectre been raised as far as your union knows?’ Jill Iliffe said, ‘Yes, it has. And it has been mentioned, certainly by state premiers, that that has been mooted by the federal government.’ I have a question for Jill Iliffe, who I assume is a truthful person: which premier said it to her? Because no premier has been told that. I make three points. First of all, premiers should not lie about government policy. Second, union officials should not retell lies that have been told to them by premiers. And, third and most fundamentally, ACTU Labor should not try to politicise our hospitals and the nursing profession. Hospitals are too important to the people of this country to be contaminated by party political point-scoring. Nursing is an honourable profession and the nurses of Australia should not allow themselves to be duped in a grubby political campaign which is ultimately being orchestrated by the
ACTU for the benefit of the pathetic puppet sitting in the seat opposite.

**Liberal Party**

**Mr Rudd** (2.56 pm)—My question is again to the Prime Minister. It refers to his answer to my previous two questions. Is the Prime Minister aware that, under section 287 of the Commonwealth Electoral Act, services provided for less than full price and gifts of services or products are all considered as political donations? Given that there was no venue hire charge for the Liberal Party’s use of Kirribilli House, can the Prime Minister confirm whether the taxpayer has in effect donated the value of holding a function at Kirribilli to the Liberal Party? Further, will the Prime Minister ensure that there is an appropriate declaration made for the use of Kirribilli House in order to ensure there is no breach of the Commonwealth electoral law?

**Mr Howard**—The Leader of the Opposition is asking me for a legal opinion.

**Opposition members interjecting**—

**Mr Howard**—He is; he is asking for a legal opinion. That may or may not be in order, but let me offer the view that there has been no breach of the Electoral Act. But, as always, I will take advice.

**Workplace Relations**

**Mr Richardson** (2.58 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Given the existence of the political strategy manual produced by the ACTU, I am very concerned, Minister. Are the claims in this dirty tricks manual correct? What is the government’s response?

**Mr Hockey**—I thank the member for Kingston for his question. I know that the unemployment rate in Kingston in 1996 was 11.6 per cent. It has come down to 6.8 per cent. It is still too high, but it has come down by nearly five percentage points, and I think that is good for the people of Kingston.

I am aware of this extensive, comprehensive, dirty tricks manual. I am also aware that the Leader of the Opposition, in the *Australian* on 10 February this year said:

- The parliamentary party determines the alternative policy for the next election, not the ACTU.

The Deputy Leader of the Opposition said, on 22 April:

The ACTU doesn’t tell Labor what to do ... this is not about the ACTU and what they want.

I thought very carefully about those words, ‘The ACTU doesn’t tell Labor what to do.’ I had a look at a few of the speeches of the Deputy Leader of the Opposition and I compared them to what is in the ACTU’s dirty tricks manual, and it was very interesting. Example No. 1 comes from the dirty tricks manual, 28 April:

An AWA can be a condition of the job or the condition of a promotion.

Gillard:

You sign or you don’t get the job. You sign or you don’t get the promotion.

Example No. 2, from the ACTU manual—

**Opposition members**—Ha, ha!

**The Speaker**—Order!

**Mr Hockey**—Don’t laugh too hard.

ACTU manual example No. 2:

ACTU manual example No. 2:

If you work in a company with fewer than 100 employees, you can be sacked and your employer doesn’t have to give you a reason.

The Deputy Leader of the Opposition said on 2TM:

They go to work, particularly in businesses of less than 100 people, not knowing if they are going to be dismissed that day because they can be dismissed for any reason.

Example No. 3:

These laws affect workers’ take-home pay. They affect their conditions and job security.
Gillard—

The SPEAKER—Order! The minister will refer to the deputy leader by her title.

Mr HOCKEY—Sorry; the Deputy Leader of the Opposition said:

Laws have cut the take-home pay, conditions and job security of working Australians.

Example No. 4—the ACTU political manual says:

The resource boom has been driving our economy.

The Deputy Leader of the Opposition says:

What’s driving economic growth in this country is the resources boom.

Example No. 5 is about the ABCC, the watchdog that has helped to deliver the lowest ever level of industrial disputation on construction sites. The ACTU manual says:

The ABCC is treating the union representatives as worse than terrorists.

The Deputy Leader of the Opposition says:

The ABCC is interrogating people as if they were terrorists.

This document and the words of the Deputy Leader of the Opposition have an uncanny similarity. It was Paul Keating, wasn’t it, who said that the Labor Party does not get out of bed unless a focus group tells them which side to get out of? This is the Labor Party way. The trade union movement’s manual says it all. Every word uttered by a whole lot of members—which we will remind members of over the next few weeks—comes out of this manual. Do you know what? When it comes down to it, the Leader of the Opposition is a patsy for the union bosses. He is wholly beholden to the union bosses. The union bosses are only interested in their power. They have no interest in the workers of Australia.

Liberal Party

Mr RUDD (3.02 pm)—My question is again directed to the Prime Minister and refers to his answer to the three previous questions. I refer the Prime Minister to section 5 of his own ministerial code of conduct, which provides that:

Official facilities should be used for official purposes.

Is the Prime Minister aware that his code also provides that ministers must never abuse the privileges which undoubtedly are attached to ministerial office? Didn’t the Prime Minister breach his own code of conduct by gifting Kirribilli to the Liberal Party for a fund raising function?

Mr HOWARD—The answer is no, because the allegation made by the Leader of the Opposition is wrong. It was not gifted to the Liberal Party. It was hospitality provided by me on conditions and in circumstances advised by my department as being entirely appropriate.

Ms Macklin interjecting

The SPEAKER—Order! The member for Jagajaga!

Ms Macklin interjecting

The SPEAKER—Order! The member for Jagajaga is warned.

National Security

Mr RANDALL (3.03 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on recent progress in countering terrorism in the region? Is the minister aware of plans to downgrade these efforts? What would be the consequences?

Mr DOWNER—I thank the honourable member for Canning for his question. I know that he is concerned about the issue of terrorism. I am delighted to tell the House that the Indonesian authorities captured the Jemaah Islamiah leader Abu Dujana and others over the weekend. It is a great achievement by the Indonesian authorities. I think they are doing an outstanding job in combating terrorism.
They deserve to be congratulated on their success, their energy and their hard work. In a country which suffered from 88 deaths in the Bali bombing, and whose embassy has subsequently been attacked by terrorists, they deserve to be properly acknowledged. We work very closely with the Indonesian authorities in the area of counterterrorism. The Australian Federal Police, our diplomats and our intelligence agencies have a very good relationship with them and this is, I know, very much appreciated by the Indonesians. In March the Indonesian police seized a significant cache of Jemaah Islamiah weapons and explosives from a house in Jogjakarta. They then detained a number of suspects. The Indonesians have successfully prosecuted over 180 individuals for terrorism related offences. The partnerships Australia has developed with countries like Indonesia, in particular, and the Philippines in the area of counterterrorism are proving to be very successful.

There is another approach. There is the Labor Party approach—they say they would continue the fight against terrorism. There is no question about their being opposed to terrorism, and no doubt they would use the Liberal multilateralist model to do so. I noticed on 4 May a press release from the Opposition spokesman on foreign affairs. He said that the international crisis group report into Jemaah Islamiah demonstrated ‘a pressing need for Australia to refocus our security resources in our region’—as if we were not focusing enormous resources in our region. That same opposition, though, pledged through its finance spokesman to cut resources to the Department of Foreign Affairs and Trade, resources that help fight terrorism and help provide consular assistance to Australians. So we have the Leader of the Opposition, when he was the opposition spokesman, saying that the government does not do enough in the area of counterterrorism, but in a press release issued on 2 March we have the opposition spokesman on finance saying that he had a whole list of cuts that Labor would make.

It is worth while for people to look at these cuts because one of the cuts was to wind back, by $31.3 million, budget increases in 2006-07 that were provided to the Department of Foreign Affairs and Trade. The bulk of that money is being spent on improved efforts by DFAT in the area of counterterrorism and a stronger consular and crisis response. So Labor say, ‘We’re going to be liberal multilateralists,’ and presumably contracting this sort of work out now to the United Nations so that they can save the money that we put into bilateral efforts through the Department of Foreign Affairs and Trade.

This government has fought terrorism, and fought it hard. We have shown a great determination to confront terrorism. In South-East Asia in particular, in our immediate neighbourhood, which the Labor Party says is our priority—of course our neighbourhood is our priority—we are seeing very successful results, including from the investment of the Australian government. What Labor wants to do is to cut funding to that area, reduce those resources and contract out counterterrorism to liberal multilateralism. Mr Speaker, I ask you!

**Liberal Party**

Mr RUDD (3.08 pm)—My question again is to the Prime Minister. I refer to the PM’s answer before concerning the use of Kirribilli House. Does the Prime Minister agree that Kirribilli House is owned by the Australian people? Does he also agree that Kirribilli House should not be gifted to any institution like the Liberal Party for fundraising purposes in part or in whole?

**The SPEAKER**—Order! In calling the Prime Minister, I think the first part of that
question was asking for an opinion, but the Prime Minister may choose to answer.

Mr HOWARD—I am more than happy to answer it, Mr Speaker. Of course, Kirribilli House is a national asset. It does not belong to me; it did not belong to Bob Hawke; it did not belong to Paul Keating; or, indeed, to any of my predecessors. I repudiate completely the suggestion that it was gifted to the Liberal Party for a fundraiser. That is factually incorrect.

Superannuation

Mr JOHNSON (3.09 pm)—I have a question that actually affects people’s lives.

The SPEAKER—Order! The member for Ryan will come to his question.

Mr JOHNSON—My question is to the Minister for Revenue and Assistant Treasurer. Would the minister outline to the House how new measures will directly benefit low- and middle-income earners as they build their retirement savings?

Mr DUTTON—I thank the member for Ryan for his question. He has a great capacity to represent well the people in his electorate who are on middle and lower incomes, as well as higher income earners. In fact, in the 2005-06 financial year, 8,189 people in the Ryan electorate received up to $3,000 as their co-contribution payment from the Howard government for their contribution of up to a $1,000 after-tax payment into their superannuation fund.

That builds on the policy of the Howard government which meant that, for 972,000 Australians who made a contribution into their superannuation fund in the financial year 2005-06, and because of the good economic management that we have enjoyed over the last 11 years, they will receive up to $3,000 into their superannuation. For low- and middle-income earners, in particular for those who are on incomes under $28,000 a year, that will have an incredibly compounding benefit into retirement.

For this government, when we talk about good, sound economic management over the last 11 years, we are talking about delivering better retirement incomes for older Australians. We are talking about delivering better retirement outcomes for younger Australians. We have created a system that could very easily be undone by the Australian Labor Party if they were elected at the end of this year and allowed the union movement to run this country again. If the union movement were in charge of this country again, if they run the businesses of this country into the ground again, if they increase unemployment, if they put upward pressure on inflation, that will mean bad outcomes not just for Australian families but for Australian retirees as well.

This government has worked hard to manage the Australian economy well so that we can support older Australians into their retirement. We do not want that hard work undone if the union movement get back in control of this country. They would be bad for business and that is bad for returns to people’s superannuation funds.

I say to all Australians that, as we approach 30 June and you are looking at your superannuation statements, and you are thinking about your financial position, know this: if the union movement gets back in control of this country, of this economy, and runs the economy down again, the returns to people’s superannuation funds will be equally diminished.

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

AUDITOR-GENERAL’S REPORTS

Report No. 43 of 2006-07

The SPEAKER (3.13 pm)—I present the Auditor-General’s Audit report No. 43 of
2006-07 entitled Managing security issues in procurement and contracting.

Ordered that the report be made a parliamentary paper.

PERSONAL EXPLANATIONS

Mr SWAN (Lilley) (3.13 pm)—Mr Speaker, I seek leave to make a personal explanation.

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

Mr SWAN—Yes, I do.

The SPEAKER—The honourable member may proceed.

Mr SWAN—As usual, the Treasurer today claimed that Labor has plans to increase personal income tax rates and lower personal income tax thresholds. This is incorrect. The Treasurer knows that. I would point out to the Treasurer Labor’s support for the personal income tax bill that passed through the Senate this week.

The SPEAKER—Order! The member must show where he has been personally misrepresented.

Mr SWAN—I am. I am pointing out our support for the income tax bill that went through the House this week. I also seek leave to table a copy of the economic myths document that the Treasurer likes so much and that he referred to today. This document makes it clear that the tax cuts adopted by the government reflect Labor’s priorities in response to the 2005 budget, including lifting the 30c threshold and increasing the low income tax offset.

The SPEAKER—Order! The member for Lilley will resume his seat.

Mr SWAN—I seek leave to table that document.

Leave granted.

DOCUMENTS

Mr ABBOTT (Warringah—Leader of the House) (3.14 pm)—Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings and I move:

- That the House take note of the following documents:
  - Reports by the Commonwealth and Immigration Ombudsman—Personal identifiers 138/07 to 199/07.

Debate (on motion by Mr Albanese) adjourned.

QUESTIONS TO THE SPEAKER

Questions in Writing

Mr KERR (3.15 pm)—I seek your indulgence, Mr Speaker, to request of the Minister for Employment and Workplace Relations that he reply to question No. 5454, regarding employment in Tasmania, which I placed on the Notice Paper on 15 February.

The SPEAKER—I thank the member for Denison and I will follow up his request.
MATTERS OF PUBLIC IMPORTANCE

Health Care

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

- The Government’s failure to take responsibility for the health care of all Australians.

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 ROXON (Gellibrand) (3.15 pm)—This is a very significant matter of public importance because it is an opportunity for us to debate what is happening currently in health care in Australia. We do have, compared to many countries around the world, a good health system—no-one on either side of the House disputes that—but it is a system that could be so much better if the federal government paid a little attention to the growing and gaping gaps and dints in our healthcare system. A couple of them in particular that I want to talk about today are the way we treat our elderly Australians and the pressures that are being put on our hospital system when people who would be more appropriately cared for in an aged care setting are forced to stay in hospitals for long periods because aged care beds are not available. We have heard horror stories of do-it-yourself dental care in which elderly Australians use their toolshed in the backyard to go and file down their dentures because they have been waiting for so long for a set of dentures that fit them properly. I am also going to talk about the nearly half a million people who end up in hospital every year with diseases that are preventable, which this government is not taking any action on.

The situation with our elderly Australians has come to the fore in the last couple of days. It is an issue that has been bubbling away for many years, but a couple of stories in the papers have graphically brought home how desperately these families suffer because the government is not making a sufficient number of aged care beds available. When the stories are raised in the media, the Minister for Ageing—and I am sure the Minister for Health and Ageing at the table will happily be able to answer questions on his colleague’s behalf—says: ‘Don’t look at me. This is nothing to do with me.’ If an issue is raised about aged care, he immediately tries to find somebody in the states to blame.

The story in the West Australian on Monday was of an elderly woman who has been in a hospital bed for a long period, having been assessed as eligible for an aged-care bed but unable to get one. The minister, who does not even know that his government’s own department assesses that there is a 500-place shortage in WA, says, ‘I am told by industry representatives there’s a glut,’ as if therefore there is nothing that he needs to do. I know that every day in their electorates Western Australian members on our side of the House deal with their constituents’ complaints about finding a place because there is such a serious shortage.

Not only is it inappropriate care for the patients and for their families, but the cost to the community of that care is extraordinary. This story that appeared in the West Australian obviously used figures that are applicable for this particular example. The woman, great-grandmother Ann Duim, was staying in a bed at the Royal Perth Hospital, which cost $1,600 per day, with no choice of being able to get into an aged care facility. Not only was she in a hospital setting, which was in-
appropriate and very difficult for her family to visit, but the comparative estimated cost of a bed in an appropriate aged-care facility is $250 a day. That is an extraordinary difference on which we are wasting collective health expenditure when we could use that money for much better purposes.

Whenever the Leader of the Opposition or I or other members of our team say that we should make sure we spend every health dollar sensibly so that we can make it go further, the Minister for Health and Ageing loves to accuse us of wanting to cut the health budget, when nothing could be further from the truth. But when his government’s decisions mean that we are spending $1,600 for one day on one person in one hospital bed—and when that person could be in a more appropriate aged-care facility which would be better for their care, better for their family and significantly cheaper for the taxpayer—surely that is something that we should be exploring. The costs across the country are not necessarily all as dramatic as that example in Western Australia, but around the country the average cost of a hospital bed is $967 a day. That is almost nine times more than the average cost of a nursing home bed. And still the government says: ‘We don’t have to worry about that. If there are nearly 3,000 elderly people in hospitals around the country who should be in aged care, that is not a responsibility for us.’

I think that it is extraordinary that the government, particularly the Minister for Ageing, does not seem to have any interest in fixing this. I am sure people on this side of the House will remember that, of course, the Minister for Ageing does not want to be the Minister for Ageing. He is the only Minister for Ageing who does not want actually to meet and talk to the elderly people in our community. I have decided that we should be calling the minister ‘Peter Pan’: the little boy who did not want to grow up. He does not want to talk to adults in the community and talk to families about appropriate care for their grandparents and great-grandparents. It is really embarrassing to have a Minister for Ageing who does not have any interest in going to aged-care facilities and talking to elderly people and their families, and to have a Minister for Health and Ageing who does not think the government should have responsibility for fixing this problem.

I am hoping that the minister might also think about the situation of a family in Townsville, the Buck family, whose father, Fred Buck, has been in respite care in Townsville. He has been unable to get a bed in Townsville and instead is going to be given a bed in Malanda. For people who do not know where Malanda is, it is in the Atherton Tableland. It is a four- or five-hour drive from Townsville, one way, for the family to visit this elderly man who is in desperate need of appropriate care. The family has estimated, generously I think, that the trip each way to make a short visit to their father—not taking into account the time and the wear and tear on their car—costs them $300 by the time they pay for petrol and accommodation.

That is a ridiculous situation. When this issue was raised in Western Australia the Minister for Ageing said, ‘No, the industry tells me there is a glut. I will not worry about it.’ Similarly, the member for Herbert—a member of the coalition—says, ‘This has nothing to do with us; the state government should fix this. Peter Beattie should fix this problem.’ I think the member for Herbert has been in this House long enough to know that aged care is a Commonwealth responsibility. He is a member of the government that can fix this problem and it is one of his constituents who is being forced into this terrible situation. He is quite wrongly blaming the states rather than saying, ‘This is an issue I should take up on behalf of my constituents.'
I should see the minister for health and I should see the Minister for Ageing and get this problem fixed."

Mr Buck received a national medal for 25 years of service to the Queensland Ambulance Service, he had no sick days, he was never late for work and he was and is well-known in the community. Despite having provided that service to the community, being integrated into the community and having access to his family for such a long time, he is now being turned away from appropriate care. Surely, Minister, we can do better for our elderly citizens.

The member for Hindmarsh was approached by a constituent, an elderly gentleman, who, despite the government’s promises about the chronic disease program for dental care, has a chronic condition and has not been able to get assistance. As I said, he is taking his dentures out to his toolshed and using a file on them to stop them rubbing and cutting his mouth because he cannot get them fixed. We have elderly members of the community at a time in their life where we should be treating them with more compassion being unable to access basic health services and aged-care beds locally.

There is an example in the Speaker’s electorate of an 87-year-old man who has to drive 120 kilometres from Portland to Penshurst—or 240 kilometres for the round trip—three times a week to see his wife, who has had a stroke. They have been married for 64 years and are unable to get an aged-care bed in their home town. Not surprisingly, their family worry just as much about their father making the trip as they do about their mother. We must be able to offer a better system. Unfortunately, the ministers responsible do not seem to be taking this issue seriously.

"Excuse me—unfortunately, having shadow responsibility for the health portfolio does not give one any immunity from the flu! It would be great if the minister could fix that as well as aged-care facilities! I do not know why the health minister cannot fix the common cold. It seems to be a problem that many of the professionals are not able to fix either, so I am not sure I should hold him responsible. That is one I will not hold you responsible for, Minister, but I am afraid you will have to put up with my sniffing as I speak.

The Labor Party is aware that the figure for bed shortages around the country is now more than 2½ thousand. It would be good if the minister could confirm or deny these figures. The department’s assessments show that Western Australia is 500 beds short; Victoria, 440-odd beds; the Australian Capital Territory, 326 beds, which is a very large figure for a small population; and Queensland, 688 beds. Obviously the example in Townsville illustrates the situation perfectly. These are examples of the problems being faced by real people.

The minister might say that we have a Minister for Ageing, so I do not need to deal with this as a responsibility. But, Minister, we are concerned about it for a range of reasons. We are concerned about it because people cannot get the appropriate care they need near their homes. We are also concerned because it means that people are staying for very long periods in hospital when that is not appropriate and the cost is being met by the rest of the community. It means that people who have conditions for which they should be in hospital cannot get into hospital because the beds are being taken up by people who more appropriately should be in aged-care facilities. The minister has shown no interest in trying to fix this problem. The government often talks about aged-care places and groups community care packages together as if they were the same as aged-care residential places. We know they...
are not. In talking on this matter of public importance, Minister, it would be good if you would confirm the bed shortage figures. We know and hear from our constituents every day about the great crisis.

Labor made some commitments last week to fix this problem between the states and the Commonwealth. We see aged care as a key area in the blame-game argument. Things done at the federal level cost not only the community but also the states. Labor has committed to reforming the transition of patients from hospital to residential aged care as a priority for older Australians who need nursing home care. We will make reform of the interface between our hospitals and nursing homes a priority area in the forthcoming negotiations between the state and territory governments for the Australian health care agreements, which expire in the middle of next year. We will examine further whether additional transition and step-down care would assist along with other measures that might increase the speed with which aged-care bed licences can be operationalised. We would like the minister to tell us what the government is planning to do in this area rather than simply to say that this is a problem that can be left with the hospitals.

As I said, this is not an issue only in aged care given that one in 10 hospital admissions relates to dental conditions that could have been prevented. People are ending up in hospital because they cannot get dental care, Minister, because your government closed down the Commonwealth dental care scheme when it was elected. About 50,000 people now end up in hospital for treatment of dental conditions. Children as young as five and six are being admitted to hospital and having general anaesthetics to have teeth extracted. We know that the figures indicate that children’s teeth are getting worse. Australia’s dental care system used to be at the top of the pile compared to systems in the rest of the world, but we are gradually dropping. We are burdening our children with problems that we will not be able to fix without major intervention at a cost to them individually and to their families and the community.

Minister, you would be aware that the blame-game report that your colleagues unanimously signed on to, along with a number of colleagues on the side of the House, recommended ‘that the Australian government supplement state and territory funding for public dental services so that reasonable access standards for appropriate services are maintained, particularly for disadvantaged groups’.

I am wondering whether the minister might be prepared to answer in this debate why it is that the government has so far not responded at all to the report The blame game: report on the inquiry into health funding, and why it is, in announcing their dental package as part of the budget, they did not even take account of that recommendation. What they have done is put in place a specific chronic disease program which is just for private dentists and is limited in all sorts of ways; it does not supplement at all state and territory funding for public dental services. It does not ensure that reasonable access for appropriate services is maintained for disadvantaged groups. I know colleagues on this side of the House put a lot of work into that report and are still waiting for a response from the government. Minister, I am sure members on your side of the House will be wanting to know how it is that putting money into this program of yours, which has failed spectacularly so far, serving only 338 people in South Australia over three whole years and 68 people in Tasmania—are there any Tasmanians here?—is going to do anything for those people. It is about time you answered some of these questions. (Time expired)
Mr ABBOTT (Warringah—Minister for Health and Ageing) (3.31 pm)—Listening to the shadow minister’s speech, I was reminded of the not very successful 1990 Liberal Party election campaign: ‘There are questions that have to be answered.’ We know what good it did Andrew Peacock, regrettably. This kind of rigmarole from the shadow minister will I think be equally successful for the current opposition.

I was thinking today during question time: why is it that we have now gone almost through the parliamentary week and we have not had any questions on the big issues—nothing on broadband, nothing on water, nothing on Iraq? There was some pretence of asking questions about AWAs but based on plainly false premises, on plainly false claims that the government was trying to do something that it had utterly no intention of doing and for which Labor had no evidence of any intention of doing. I asked myself: why don’t they ask questions about the big issues? We now know that they do not ask questions about the big issues because they have nothing to say on them.

The shadow minister is a decent human being. I know she has been put into a very difficult position by her colleagues this afternoon because this MPI was never meant to go ahead. It was plainly a mask for the censure motion on the alleged improper reception at Kirribilli House that the opposition was building up to. Presumably, the Leader of the Opposition realised that he had no grounds for a censure, that he was making a goose of himself, that the ‘Saint Kevin’ persona which he has tried so carefully to construct over the last six months was in serious danger of being destroyed by this trawl through the rubbish bins of Kirribilli House. Presumably for those reasons that censure motion was dropped and instead we had another empty performance from the shadow minister for health.

To her credit, the shadow minister for health conceded that Australia has a basically good health system. I tell you what: it is better than good; it is among the best in the world and certainly it is better than any in the world. Of course it is not perfect. If the shadow minister were prepared to identify any specific areas of maladministration, specific areas of positive improvement, I would be delighted to take her seriously and do what I could to implement any suggestions she had. What she in fact says is that one person or two or three people did not get into an aged-care institution as quickly as they would have liked. I know how frustrating it is for those people and I very much regret that we cannot abolish scarcity, that we cannot abolish old age or tooth decay, that we cannot abolish the fact that no government has unlimited funds, not even a government which has run the economy as successfully as this government. It got to the ridiculous point in the shadow minister’s presentation that she was on the verge of blaming the government for being unable to cure the common cold.

Let me say what this government has done. In 1996, there were some 145,000 operational aged-care places in this country. Today—I am quoting from memory—there are 208,000 operational aged-care places in this country. Yes, there has been a large expansion in community aged-care packages and that is not inferior care; that is care that we are giving to people in increasing quantities because that is what they say they want. People say to us that they would like to stay in their own home for as long as possible and that is precisely what community aged-care places are designed to achieve. There has been a greater than 50 per cent increase in the quantum of aged-care places under this government. I accept that there will still be some people who cannot get immediately what they want in precisely the right area,
but does the shadow minister seriously suggest that there will instantly be a bed available for everyone everywhere? Is that what she is really saying? Has she discussed this with the operators of these aged-care institutions? Has she heard them say how uneconomic it would be for them to permanently maintain half-a-dozen spare beds in their aged-care facilities just in case some of those elderly people currently in acute wards in public hospitals were assessed by an ACAT team that very afternoon as being eligible for an aged-care place?

The proposition implicit in the shadow minister’s presentation is as silly as it would be for me to stand up and say that there should be no waiting lists whatsoever for elective surgery. I happen to think that elective surgery waiting lists for some procedures in some states are far too long, but I would never have the temerity, the foolhardiness, the unreality, to suggest that we are ever going to be able to provide this kind of service without some form of waiting list. I ask people to compare the time taken to get into an appropriate aged-care facility or to obtain an appropriate aged-care package under this coalition federal government with the time taken to get your knee replaced or your hip replaced for free as a public hospital patient in those institutions which are the responsibility of the Labor states and territories. I do not in any way seek to minimise the frustration of people who spend a little longer than they would like in a public hospital waiting for an aged-care place, but it is fatuous of the shadow minister to say that this government does not care or has done nothing. We have done a great deal.

I turn briefly to the dental situation that the shadow minister was so concerned about. Like her, I lament the fact that 650,000 people are on public dental waiting lists but, unlike the shadow minister, I am prepared to say that the people who are primarily to blame are the people who have not operated those public services well. The shadow minister’s first policy was to restore the Keating government’s dental scheme. I ask her: is $100 million a year—that is, a below 20 per cent increase in what the states currently spend—suddenly going to fix the problems of 650,000 people on those public dental waiting lists? No, it is not. When that scheme was in place and the Leader of the Opposition was the director-general of all he surveyed in Queensland, notwithstanding that scheme and notwithstanding the genius of the Leader of the Opposition at that time as the de facto Premier of the Christian socialist state of Queensland, public dental waiting lists were still three years.

The shadow minister came up with a second policy, which was that everyone on average weekly earnings or below would get free dental care. There are 16 million people in Australia who are living in households earning less than average weekly earnings. To give those people one hour of dentistry a year at $295 an hour—the figure cited by the shadow minister—would cost, and I am no mathematician, $4.8 billion. So it is not surprising that that policy lasted one day. There was an internal memo sent out to all ALP candidates saying, ‘Labor will announce details of its dental policy in due course.’ We had an explicit repudiation by head office of the lunacy as announced by the shadow minister in an article by Jason Koutsoukis. I suppose that was all Jason’s fault. He got it wrong; you did not say it.

Ms Roxon interjecting—

Mr ABBOTT—Okay. It is all Jason’s fault. The shadow minister cannot make a mistake; it is all Jason’s fault. Why did her colleagues repudiate the shadow minister rather than just say the Sunday Age had got it wrong? It is interesting that, since that time, the shadow minister has been put on a very
tight rein. Instead of putting out press releases almost daily we have had just two press releases in the fortnight or so since this monumental gaffe. Both of them were joint press releases with some other, more senior, shadow minister who presumably was there to keep the current shadow minister for health—

Ms Roxon—Haven’t you got anything to say for another five minutes?

Mr Abbott—Please, Mr Deputy Speaker; I heard her in respectful silence.

The Deputy Speaker (Hon. IR Causley)—I have to agree with the minister for health. The member for Gellibrand must control herself.

Mr Abbott—Perhaps it was misguided respect. Nevertheless, I gave her that courtesy. She probably did not deserve it, but I think she should at least listen to the response.

Turning to our policy on dental health, I accept the shadow minister’s critique of the allied health professional initiative as it applies to dentistry as it has been working. It is precisely because it has not been working that the government very substantially changed it in the recent budget. The problem with it was not difficulties with referral; it was that it just did not cover the kind of treatment that people with chronic disease typically need. Instead of getting just three consultations, under the new policy people will get one consultation funded by Medicare and then up to $2,000 a year of Medicare funded treatment. This is a dramatic change designed to ensure that this policy works. It was designed in close consultation with the dental profession. In fact, what we put in place as a result of this budget was more than the Australian Dental Association had asked for.

Another issue that the shadow minister raised was that we are not doing enough for chronic disease. Let me point out for the record that Medicare does cope with this—not perfectly but far better than ever before—through things like the health check items, of which there were 285,000 in the last financial year; the GP care plans, of which there were 650,000 in the last financial year; the team care plans, of which there were 250,000 in the last financial year; and the allied health professional consultations, which, except in respect of dentistry, have been working well, and of which there were 500,000 in the last financial year. Most recently there was the new diabetes prevention program announced in the budget for checks, followed by diabetes management consultations, followed by a lifestyle improvement program subsidised by the government under Medicare.

Maybe we could do more. Please, if we are so derelict in our duty, tell us precisely what that might be. Instead of telling us how we should better do the things that are the responsibility of others, what about telling us what the opposition will do with the programs that the government currently runs. One of the great innovations of this government, one of the very welcome innovations, is the extended Medicare safety net. It is all very well for the opposition to pose questions to me, but what about their policy on this vital program for the health and wellbeing of so many people? We have had some suggestions that the government was digging dirt. I have to say that David Epstein is the king of dirt. Walt Secord almost destroyed the life of a migrant family in Western Sydney by inventing a story. Why has the Leader of the Opposition got this scum on his staff?

(Time expired)

Mr Georganas (Hindmarsh) (3.46 pm)—I rise to speak in favour of the sentiment and effect of this matter of public importance. It is a lay down misere that the government have failed to take responsibility
for the health of all Australians. They admit that they refuse to take responsibility and we heard the minister say that primarily the people to blame are the states, as he always does. As we hear so often, it is a constant passing of the buck and blame game. They refuse to take responsibility. They admit that they do not want to and that nothing that any number of Australians say and nothing that any number of Australians are forced to endure as a consequence of inadequate federal involvement in the funding or provision of health services will change their minds. Changing their minds is probably off limits on some issues—and the Howard government call Labor a bunch of fanatics.

What do you call a bunch of people, the Liberal Party, who are obsessive about not bending to demonstrable public need for that which will alleviate pain and suffering? What do you call it when a government prefers to see pain and suffering endured by hundreds of thousands of Australians—most of them elderly and of limited means—rather than compromise their conviction that it is the states’ fault? It is pain imposed with principle—a very limited apology and a pretty sick policy given the circumstances—and it is totally unjustifiable and indefensible on any even vaguely humanistic grounds. It is possible to work in politics and public administration with such focus on ideals, rules of law and abstract notions of what should be happening in the best of all possible worlds such that members, let alone ministers, can lose touch with the consequences of their ideology. It is possible, in some cases probable, that ministers and their deputies can lose whatever connectivity they may once have had with the very real and relentless efforts of government policy on individual lives.

Today I would like to increase the government’s contact with the experiences of Australians—the real people, who do not have $1 million in assets or a portfolio of managed funds or family trusts and who do not have a spare $100, let alone the spare thousands that may be needed to secure adequate health care in today’s Australia. People’s experiences, as we know, speak more loudly and more clearly than any political doubletalk or smoke and mirrors. These are the circumstances that people are forced to endure every day, year in year out, and they present the substance that MPs should be listening to, identifying the way forward. The minister asked what we would do. Listening to the people who talk to you every day out there in the real Australia would be a good starting point.

Mr Ted Crowder, a retired toolmaker in his late 70s, has been waiting for his dentures to be readjusted and fixed for a number of years. He featured last weekend in the *Sunday Mail*. The title of the story was, ‘Forced to be a DIY Dentist.’ Here is a copy of the page, and if any of the members are interested I am sure that the minister’s office or the library could get you copy. The picture shows Mr Crowder with his wife, Maureen. She does not look happy at all and you cannot blame her when they have been waiting for years and years for dentures. In fact she looks pretty upset, and you cannot blame her. Mr Crowder has shrinking gums, consequently losing the fitting of his dentures. He was told in 2005—that is more than two years ago—that he needed new dentures, but he continues to wait for treatment not only for new, adequately fitting dentures but he continues to wait for treatment not only for new, adequately fitting dentures but no doubt also to remedy the ulcers that have appeared in his mouth through the misfitting dentures that are continuing to cause him pain and distress. Such is the discomfort of Mr Crowder, who, as I said, is a retired toolmaker, that he resorted to becoming a do-it-yourself dentist, taking his dentures out to the toolshed, pulling out the tools that he used as a toolmaker and tailoring the den-
turers with files and other items from his toolbox so that they can better fit into his mouth and gums and by some chance offer him a little bit of comfort. It is incredible when you think about it. A private clinic would charge Mr Crowder $1,500 to $2,000 for new dentures—money that he just does not have. Perhaps he is lucky to at least have his tools and his trade.

We have all heard recently in the media, on Today Tonight, about an elderly woman who also took matters into her own hands, regarding not dentures but rotten teeth. This woman was not able to secure the treatment that she clearly saw herself as needing. She had rotten teeth and gums. She resorted to self-administering some pain relief—with, conceivably, some antiseptic—and, with the use of an adequate amount of whisky, she resorted to self-supplying her dental instrument, a pair of pliers, and maybe a bit of cotton wool for the aftermath. She resorted to self-treatment by ripping out her own decaying teeth—one by one. Rip! Can you imagine the pain?

This do-it-yourself dentistry is gaining in prevalence under the federal government since the abolition of the Commonwealth Dental Health Program in 1996. Another constituent of mine, Mrs Hargraves, is another case in point. She was given an appointment for new dentures in 1996. She was told at the time that the staff did not have much time. A mould was taken of Mrs Hargraves’s gums very quickly, virtually as she was being ushered out the door because of the waiting list. She was told at the time that the staff did not have much time. A mould was taken of Mrs Hargraves’s gums very quickly, virtually as she was being ushered out the door because of the waiting list. The dentures were made up and sent to her in the post, without any appointment for a fitting. And of course they do not fit, causing incredible pain to her gums. She has been refused an appointment to have these misfitting dentures tailored to her gums because, she was told, she had already had her appointment—she has had her chance at dental health and she is not going to get another one until some time in the distant future. That was more than 10 years ago and she has had misfitting dentures ever since. I am not aware of Mrs Hargraves having any formal training in plastics or cabinetmaking or toolmaking but she has resorted to developing her own skills with abrasive paper or sandpaper, as it used to be called, to sand down these dentures so they can fit a little better in her mouth and not cause pain and hurt. So, like Mr Crowder, we have an elderly individual forced into the toolshed to try to customise her misfitting dentures with whatever garden variety equipment she can find to hand. She is being a do-it-yourself dentist to minimise goodness knows what pain from ulcers and sores in her mouth and perhaps be able to eat properly for her general wellbeing. One can only guess what condition her gums are in.

I have another example. I received a letter from a Mrs Roma Thompson which I would like to read into Hansard:

Dear Mr Georganas, thank you for the opportunity to add my name to the petition for dental care. I have been waiting several years for dentures, and having been told not long ago it could be another three years was not good news. I am eighty-five years of age and another three years—who knows? Another lady of the clinic at the same time was also told three years waiting time and she was ninety years of age. I would think the waiting time would be much longer now as it was last year I was there.

Another woman has been advised that, despite her deteriorating lower gum, despite her denture being hopelessly ineffective, falling out of place and continuously being very difficult to manage, and despite her being at very high risk of soon having to live without any bottom teeth at all without long overdue dental care, she will not get an appointment until 2011. The waiting list, the number of years of poor dental health that people are being forced to endure, as well as enduring
the effects on their overall health as best they can, is often well over five years. But even a short wait can be too long. Another constituent, Lona Wilson, went to the dentist nine months ago for a temporary filling. The filling fell out almost immediately. She now has to wait in excess of another year to see a dentist, enduring extreme pain.

Through this current term of office I have received letters, emails and surveys from hundreds upon hundreds of people, primarily elderly people, who have been forced to wait year after year after tedious and painful year for dental care. Many of them are still waiting. Why? Because when it comes to Commonwealth dental care this government does not care. If it did, something would have been done about it. The budget initiatives that the minister spoke about will do very little for the 650,000 people on that waiting list. Over recent weeks we have had thousands of petitions from the electorate of Hindmarsh tabled in this place in support of proper Commonwealth public dental care, and there certainly will be more to come. People are hearing about the petition on the grapevine and calling my office even months after it was distributed—(Time expired)

Mr ABBOTT (Warringah—Minister for Health and Ageing) (3.56 pm)—Mr Deputy Speaker, I seek your indulgence to make a brief statement.

The DEPUTY SPEAKER (Hon. IR Causley)—Please proceed.

Mr ABBOTT—At the close of my contribution to the MPI discussion I referred to two opposition staffers as scum. I should not have done that. I apologise. But they are notorious dirt diggers and I wonder why Saint Kevin has employed them.

Mr FORREST (Mallee) (3.56 pm)—There is no doubt when we are debating issues of people’s health we can all get involved. I listened carefully to the member for Hindmarsh’s contribution. He talked about people who are obviously very genuine Australians, and I would have many in my electorate as well. I would simply respond to the member for Hindmarsh by saying I came into this chamber in 1993 after a long period of neglect on this very issue and now, after being part of a strong government that has delivered, the situation for my constituents is a jolly sight better than it used to be. There will always be, as the Minister for Health and Ageing himself said, circumstances which do not meet people’s expected needs.

The shadow minister referred specifically to two issues. I had thought the MPI might have been on the broader subject of general health care but she focused on aged care and dental care. If I can again refer back to the period when I came to the parliament, the number of aged-care places for every 1,000 persons aged 70 or older was then about 70. It is now 108 places, with a target to be 113 places by 2011. One of the motivating circumstances prior to 1993 which caused me to think about coming to this chamber and getting it fixed and made better was the trauma that I had had with the placement in an aged-care facility of my own father. I can still hear my dear mum, bless her, saying, at one desperate family conference, ‘Son, someone’s got to go to Canberra to see if we can fix all this.’ I am quite pleased and proud to say that things are a jolly sight better. I think the shadow minister made reference to somebody in the Speaker’s electorate, which is immediately south of Mallee, the region I represent, so it is geographically the same. I have the largest number of aged-care places in my electorate of any member in this place. I think the number is 47. I also have the largest number of acute hospitals of any member in this place. The number is 23. That reflects the sparse, spread-out nature and the population centres of the north-west of Victoria. Given what used to be in 1993, I have to say
that since 1996, when the coalition came to government, we have been progressively addressing all of the issues.

The particular issues which the shadow minister raised are no longer on my radar—I am more focused these days on planning for the future on infrastructure investment and the very serious need of water—except for the need for dental care. It is a little frustrating—not part of the blame game but a historical reality—that the Commonwealth will have to play a greater role in the provision of dental care. That has been recognised in this year’s budget with access to a first consultation with a dentist funded by Medicare. If there are urgent medical reasons related to diet et cetera, there is support available for up to $2,000. This amount will not cover the cost of technicians for dentures, and that is a delicate issue.

I often say to my constituents, ‘You can get access to a dentist immediately, provided you are privately insured.’ As a privately insured person, I have had no trouble getting access to a dentist. There is a prospering economy in my constituency. The argument that there is no access to dentists—access can be provided if a person is privately insured—has to be put in context of the debate, especially given the incentives that the government put in place for people to privately insure.

On the broader subject of people’s health across the nation, I have a 20-page document of successive initiatives by the government since 1996 to address those needs which are consistent with the budget process. It is worth reflecting that the Minister for Health and Ageing often refers to the fact that, since 1996, this government has been the best friend that Medicare has ever had. In the electorate of Mallee, the bulk-billing participation rate is one of the highest and is in excess of 80 per cent. With additional incentives in the budget for rural GPs to bulk-bill, their incomes have increased substantially. The GP income from Medicare has increased, on average, across the nation from $195,000 in 2002 to well over $300,000.

There is also an improvement in the Pharmaceutical Benefits Scheme. We had not been in government all that long, but I remember the days when there was a long list of people waiting for medications through the PBS. The list is shorter now. There are newer medications these days. The outcome of research and development of pharmaceuticals is that the latest medication is available, whether it is the latest treatment for prostate cancer or treatment for any of the huge variety of cancers. In earlier days, these medications should have been on the PBS. The PBS budget has increased over the past 11 years by 600 to 700 per cent. It is a very significant budget item and is funding important medications for people.

I turn now to aged care. In my rural constituency, standards in aged-care facilities, even in small facilities, are improving in the number and quality of beds available. Of the 47 aged-care places I mentioned, many have only 10 aged-care beds, but they are associated with a rural hospital; therefore access for professional support services is nearby and available. Occasionally there is someone waiting for a placement in their home town and there is a bed available within a 20- to 30-minute ride to the next town. I occasionally get representations about that, but ultimately I find that it is not long before they are placed in their home town where their friends and family are located and they are provided with that important support.

There are also a plethora of services provided by the government for allied health and support. I am delighted to see that in-home support being provided. It is a fact that elderly people would prefer to be in their
own home, surrounded by their life memorabilia and memories. They are in a much better spiritual and emotional state when they are in their own home. There has been a staggering increase of 700 per cent in the number of community care packages in my constituency and there is an enormous benefit in that.

I recognise that there is always somebody who is not entirely happy because their loved one has been placed in a nearby town and they want them placed in their own town. If there is a bed available and the aged care assessment team has decided that institutional care is needed as the person concerned is no longer able to stay at home, then at least they are getting the care needed. They will then wait for a geographical place that supports them better and is better for family, friends and loved ones.

I refute the intention of this matter of public importance today. I recognise that there is more to do in the area of dental health. I am pleased the government has picked up responsibility for it. We have got over the issue of expecting the states to do it, because quite clearly they do not want to. (Time expired)

Ms HALL (Shortland) (4.06 pm)—The Howard government’s approach to health care is to blame someone else, anyone else, for any problem in the health system. The only rule the Howard government adheres to is to take no responsibility for any problem whatsoever in the health system. It is just blame, blame, blame. Whether the problem is doctor shortage or health workforce shortage, insufficient aged-care beds or Australians, usually elderly or children, waiting up to 10 years to have dental work completed, it is somebody else’s fault. It is no surprise that the Howard government’s favourite victim to blame is the state government, any state government, as long as it diverts the blame from John Howard and his merry men and women. The bad news for the Howard government is that the Australian people know that before it was elected there was a Commonwealth Dental Health Program that operated in Australia and a nearly non-existent waiting list for dental treatment.

At the time the Commonwealth Dental Health Program existed I was a state member of parliament and I know that people were able to see a dentist when they needed to see a dentist. I also know that when the Howard government was elected and that scheme was axed by this government immediately I had constituents coming to my office complaining that they could not see a dentist. These were elderly people that could not get dentures, could not have their rotting teeth removed from their mouths or filled. These were people who were suffering as a direct result of the Howard government.

When the Howard government was elected there was an 800-aged-care-bed surplus. Now let us compare the dental and aged-care bed situation. Firstly, the nearly non-existent waiting list has blown out to 650,000 Australians languishing on a dental waiting list. I will share with the parliament the experiences of two of my constituents. One gentleman, Eddy, had his teeth removed after waiting some considerable time. He then had to wait over 12 months to get dentures and for that time he lived on soup and other liquids. This does not appear to worry members on the other side of this House, the government. Another constituent, a gentleman who lives in Toukley, had only a top set of dentures and had been waiting for two years for his dentures. He was forced to live on soups and soft food. At the time I had to say that this was not good enough in a country like Australia.

Then we look at the aged-care bed situation. We now have an aged-care bed shortage in excess of 4,000. The Shortland electorate
is a very old electorate, one that has got the 10th oldest population and the highest number of residents over the age of 65. In that electorate, covered by both the Hunter and the Central Coast, there is a shortage of beds in the Hunter area of 390 and, on the Central Coast, 596. Actually, in the two areas there is a greater shortage than the surplus that existed in the whole of Australia at the time the Howard government was elected.

Who is to blame? If you listened to the Howard government you would say that it was the state government. If you listened to the Howard government you would say it was anyone else other than them. The member for Mallee talked about the fact that people can take out private dental health insurance and can then see a dentist. The member for Mallee did not take into account the cost of private dental health insurance and also the fact that there is an enormous gap.

There has also been mention of elderly people being referred to as ‘bed blockers’ by the Minister for Ageing. I know that at any one time there are a large number of elderly people in our hospitals waiting for places in nursing homes. They are not bed blockers; they are elderly Australians that need to be placed in an aged-care home, people that should not be in beds in acute care hospitals. This government is responsible for that and it is time that it acted and ended the blame game. *(Time expired)*

Mr SECKER (Barker) *(4.12 pm)*—After being in this parliament for 8½ years, I have to say this is the weakest, most pathetic, ill-conceived matter of public importance I have seen. The Labor Party has certainly got the trifecta today: the worst three features I have ever seen in an MPI in this parliament. It is absolutely pathetic. The Labor Party could not even get a question up in question time about an MPI—normal procedure. The member for Gellibrand in her opening statement said that the health system was not all that bad. What is she going on about? This is a most ill-conceived, pathetic and inaccurate MPI. So many things about it were just shocking and I think that the Labor Party have really got to look at their health spokesman. It has been an absolute joke today.

Our constituents have told the government that health care is important to them, and we have responded with literally billions of dollars in funding support—incents, programs and services. We have seen some major achievements in health in recent years with this government’s activities primarily focused on the development and implementation of ongoing health system reforms aimed at supporting universal and affordable access to high-quality medical, pharmaceutical and hospital services and improving health outcomes through promotional and disease prevention activities, maintaining sustainability and providing access to quality aged-care services.

When I was first elected to this parliament in 1998 you could wait up to two weeks to get to see a GP. Labor’s answer to the health system in rural areas was: I hope you get better before you get a chance to see a doctor. That was the answer. When I was elected in my electorate there were 149 doctors. There are now 189 doctors in my electorate—40 more doctors than we had when we were elected in 1996. That is our answer: we provided more health services and we provided more doctors, more nurses, and this despite a very badly run health system from state governments throughout Australia.

Let us talk about my electorate of Barker. Let us talk about rural and regional health care, and the leaps and bounds it has taken in recent years because of the opportunities that have been afforded and paid for by this government. You will notice a common theme in
what I am about to share—that is, consistency. The government has a very consistent scorecard when it comes to steady improvement in health care. Further to that, total Medicare benefits scheme funding has more than doubled in the past 10 years, to where it now stands at $66.1 million in my electorate alone. Bulk-billing rates of non-referred GPs have seen a similar improvement—a 20 per cent increase. And the good news is that it is likely to get even better from here. It is in the nature of rural health programs that they often service very large areas and cannot always be accurately allocated to an electorate.

The DEPUTY SPEAKER (Hon. IR Causley)—Order! The time allotted for this discussion has concluded.

FAMILIES, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS LEGISLATION AMENDMENT (CHILD SUPPORT REFORM CONSOLIDATION AND OTHER MEASURES) BILL 2007

TAX LAWS AMENDMENT (2007 MEASURES) BILL 2007

TAX LAWS AMENDMENT (SMALL BUSINESS) BILL 2007

INDIGENOUS EDUCATION (TARGETED ASSISTANCE) AMENDMENT (2007 BUDGET MEASURES) BILL 2007

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

Returned from the Senate

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

COMMITTEES

Selection Committee

Report

The DEPUTY SPEAKER (Hon. IR Causley)—I present the report of the Selection Committee relating to the consideration of committee and delegation reports and private members’ business on Monday, 18 June 2007.

The report read as follows—

Report relating to the consideration of committee and delegation reports and private members’ business on Monday, 18 June 2007

Pursuant to standing order 222, the Selection Committee has determined the order of precedence and times to be allotted for consideration of committee and delegation reports and private Members’ business on Monday, 18 June 2007. The order of precedence and the allotments of time determined by the Committee are as follows:

COMMITTEE AND DELEGATION REPORTS

Presentation and statements

1 AUSTRALIAN PARLIAMENTARY DELEGATION TO THE REPUBLIC OF MALTA AND SPAIN AND REPORT ON THE OFFICIAL VISIT TO KUWAIT OF THE PRESIDENT OF THE SENATE


The Committee determined that statements on the report may be made—all statements to conclude by 12:40pm

Speech time limits—

Each Member—5 minutes.

[Minimum number of proposed Members speaking = 2 x 5 mins]

2 JOINT STANDING COMMITTEE ON ELECTORAL MATTERS

Civics and Electoral Education

The Committee determined that statements on the report may be made—all statements to conclude by 12:50pm

Speech time limits—

Each Member—5 minutes.

[Minimum number of proposed Members speaking = 2 x 5 mins]
3 PARLIAMENTARY JOINT COMMITTEE ON THE AUSTRALIAN CRIME COMMISSION
Examination of the Australian Crime Commission Annual Report 2005-06

The Committee determined that statements on the report may be made—all statements to conclude by 12:55pm
Speech time limits—
Each Member—5 minutes.

4 STANDING COMMITTEE ON ECONOMICS, FINANCE AND PUBLIC ADMINISTRATION
Servicing our future—Inquiry into the current and future directions of Australia’s services export sector

The Committee determined that statements on the report may be made—all statements to conclude by 1:05pm
Speech time limits—
Each Member—5 minutes.

5 STANDING COMMITTEE ON EMPLOYMENT, WORKPLACE RELATIONS AND WORKFORCE PARTICIPATION
Current vacancies: Workforce challenges facing the Australian tourism sector

The Committee determined that statements on the report may be made—all statements to conclude by 1:15pm
Speech time limits—
Each Member—5 minutes.

PRIVATE MEMBERS’ BUSINESS
Order of precedence

Presenter may speak for a period not exceeding 5 minutes—pursuant to standing order 41.

Presenter may speak for a period not exceeding 5 minutes—pursuant to standing order 41.

3 MR EMERSON: To present a Bill for an Act to provide for interest to be levied on the late payment by government of commercial debts arising in relation to contracts with small businesses for the supply of goods and services, and for related purposes. (Late Payment of Government Debts (Interest) Bill 2007). (Notice given 12 June 2007.)
Presenter may speak for a period not exceeding 5 minutes—pursuant to standing order 41.

4 MR JOHNSON: To move—That the House:

• (1) recognises the importance of globalisation and open markets to continuing Australia’s record of 16 years uninterrupted economic growth; and
• (2) calls on the Australian Government to continue promoting the benefits of free trade, which include alleviating global poverty, especially in developing countries. (Notice given 22 March 2007.)

Time allotted—remaining private Members’ business time prior to 1.45 pm
Speech time limits—
Mover of motion—5 minutes.
First Opposition Member speaking—5 minutes.
Other Members—5 minutes each.

The Committee determined that consideration of this matter should continue on a future day.

5 MR BOWEN: To move—That the House:

• (1) notes:
(a) the Government’s failure to direct the Australian Competition and Consumer Commission (ACCC) to formally monitor the prices, costs or profits in the petroleum industry;

(b) the comments made by Mr Brian Cassidy, Chief Executive Officer of the ACCC, to Senate Estimates that the ACCC would need formal price monitoring powers to gain access to information from the oil companies to adequately monitor profits, margins and costs; and

(c) that Labor’s announcement to appoint a national Petroleum Commissioner, with the sole responsibility to formally monitor and investigate within the ACCC would ensure Australian motorists are getting a fair go at the bowser; and

(2) calls on the Government to provide the ACCC with a reference under section 95ZE of the Trade Practices Act 1974 to formally monitor fuel process in Australia. (Notice given 12 June 2007.)

Time allotted—30 minutes.

Speech time limits—
Mover of motion—5 minutes.
First Government Member speaking—5 minutes.
Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 6 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

6 MR BAIRD: To move—That the House:

(1) notes:

(a) the recent police violence and systematic harassment and intimidation against lawyers representing activists from the Zimbabwean political opposition parties;

(b) specifically, the incident of 8 May, when police violently stopped a demonstration organised by the Law Society of Zimbabwe to protest against the unlawful arrest and ill-treatment of lawyers Alec Muchadehama and Andrew Makoni; and

(c) the need for an immediate independent investigation into the alleged misconduct of police officers from the Criminal Investigations Department (CID) Law and Order Section at Harare Central Police Station in relation to the incident;

(2) recommends, as a first step to address the human rights situation, the Government of Zimbabwe to fully implement the recommendations of the African Commission on Human and People’s Rights in the 2002 Fact Finding Mission Report; and

(3) condemns the Zimbabwe regime for threats made against church leaders and strongly urges the regime to uphold religious freedom and freedom of expression. (Notice given 29 May 2007.)

Time allotted—remaining private Members’ business time.

Speech time limits—
Mover of motion—5 minutes.
First Opposition Member speaking—5 minutes.
Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 6 x 5 mins]

The Committee determined that consideration of this matter should continue on a future day.

HIGHER EDUCATION LEGISLATION AMENDMENT (2007 BUDGET MEASURES) BILL 2007

Second Reading

Debate resumed.

The DEPUTY SPEAKER (Hon. IR Causley)—The original question was that this bill be read a second time. To this the honourable member for Perth has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The question now is that the words proposed to be omitted stand part of the question.
Mr SNOWDON (Lindiari) (4.16 pm)—I am pleased to be able to make a contribution to this debate on the Higher Education Legislation Amendment (2007 Budget Measures) Bill 2007, which amends the Higher Education Support Act 2003 to provide for the government’s 2007-08 budget commitments, provide indexation increases and other technical adjustments for 2008 to 2010 and add maximum grant amounts for 2011. The bill includes higher education measures announced in the budget other than the Higher Education Endowment Fund. The bill contains amendments across several areas. The bill: reduces the number of CGS funding clusters; changes CGS funding levels across disciplines and specifies a revised maximum student HECS contribution for commerce, economics and accounting purposes; introduces three-year CGS funding agreements to commence from 2009; lifts the cap limiting the promotion of full-fee domestic undergraduate places; increases the total number of Commonwealth supported places; increases the number of Commonwealth scholarships from 8,500 to 12,000 per year, and allows them to be paid by the Commonwealth directly to students; introduces an Indigenous scholarship classification for up to 1,000 higher education Indigenous students; provides additional funding to universities to improve teacher education programs; creates a new diversity in structural adjustment funds for universities, including through the appropriation of an additional $67 million; and provides additional funding to the Australian Research Council for the period 1 July 2007 to 30 July 2011. The bill also amends the Australian Research Council Act 2001 to reflect updated caps on funding for 2007 and 2008 and to add financial year starting on 1 July 2009 and 1 July 2010.

Mr Deputy Speaker, through the shadow minister Labor has moved an amendment, as you observed in your introduction. That amendment reads:

- “whilst not declining to give the bill a second reading;
- (1) the House notes that the Budget announcements in higher education come after more than 11 years of neglect and complacency towards, and underinvestment in, Australia’s higher education sector, and that under this Government:
  - (a) as a proportion of total revenue, Commonwealth grants to universities have decreased from 60% of their revenue in 1996 to 40%, while university revenue derived from private sources of income has gone from 35% to 52% and revenue from fees and charges has increased from 13% in 1996 to 24%;
  - (b) Commonwealth investment in education as a proportion of total Government expenditure is actually forecast in the Budget to fall from 7.7 per cent in 2005-06 to 7.4 per cent in 2010-11; and
  - (c) there has been a significant and serious run-down of research infrastructure, including a failure to provide a real increase for Australian Research Council project funding; and
- (2) further, the House notes that the Budget:
  - (a) abolishes the current cap of 35% on full-fee domestic undergraduate degree places; and
  - (b) increases HECS contributions for Commerce, Economics and Accounting courses to the maximum amount while at the same time reducing the Commonwealth contribution for those courses”.

Higher education has long been a cause for public discussion, public debate and, dare I say, public dispute, over the direction of policy, over the appropriateness of funding levels and over different philosophies about how to deal with the education sector in general but the higher education sector in particular. I come to this debate as someone...
who—I guess this applies to all my generation who would have been at university—was at university during the Whitlam years when fees were abolished. I was in this place when the Labor government, under Prime Minister Hawke, introduced the Higher Education Contribution Scheme, and I understood the merit in doing that. However, then, as now, I was concerned about the impact it would have on the ability of young people to attend university. What we are seeing now, of course, as a result of current government policy, is that the cost burden on students has shifted significantly and has been raised significantly to make it ever more difficult for them to achieve a higher education outcome without very significant sacrifice and sometimes very often hardship.

Mr Snowdon interjecting—

Mr Snowdon—I do not want to give the Parliamentary Secretary to the Minister for Education, Science and Training opposite a lecture in demographics and statistics, but even he would know that population increases mean significant changes to participation rates, even in education. I would have thought that, if he knew anything about public policy in this country, he would know about the significant outcomes which were achieved by the Hawke-Keating governments in school attainment levels, getting significantly higher proportions of school students to year 12. From memory—and my colleague at the table, the member for Throsby, may recall this—at the time the Hawke government was elected, year 12 attainment levels were between 35 and 40 per cent, maybe slightly higher. By the time the Labor government was defeated in 1996, they were in excess of 80 per cent.

A very deliberate outcome and a consequence of that would be, as the honourable member might note, an increase in the number of people attending higher education institutions—and that is what we want. We clearly want to see more young Australians either benefiting from access to a university place to do a course of their choice or, alternatively, following a different stream and getting a vocational education outcome which provides them with the appropriate skills to compete effectively in the labour market. I would have thought that that would be a proposition which would attract the support of everyone in this place. The difference, of course, is how we go about getting that outcome, and that is the issue here.

My concern, even though the government argues that they are trying, effectively, to, as they describe it, dismantle the Dawkins reforms in terms of higher education, get rid of the one-size-fits-all approach and provide greater diversity and flexibility, is that we are moving—at least, this is what I am observing—into a period when we are going to have different classes of universities in this country. There will be the haves at the old sandstone universities and then the rest, and that concerns me greatly.

Having been a student at the ANU, the University of Western Australia and Murdoch University—I did not have a distinguished academic career but I did have one—I can see the benefits of the infrastructure that is in place in these quite magnificent institutions. But then I look at what is available for people who live in regional Australia and their capacity to undertake higher education. I say this not just of people who live in regional centres like Darwin, where there is in fact Charles Darwin University, or Townsville, with James Cook, but, most particularly, of people who live away from these centres, often in isolated communities where there is no access to higher educational opportunities and where the students are forced, once they have achieved a level commensurate with university entrance, to relocate out of their home environment to a
major centre to achieve an education. This is true not only in the higher education sector but also in the vocational education sector.

We are told in the Bills Digest that, in 2005, the then Minister for Education, Science and Training stressed:

... the need for a diverse range of higher education institutions servicing different communities and varied requirements.

The Digest goes on about the current minister and refers to a wide-ranging speech on the need for diversity in which the minister called for:

... the development of a diversified higher education sector, made up of universities which differ from each other in terms of mission, discipline mix, course offerings, modes of delivery, management and in academic structure.

That may be all very well but what we want to make sure of—at least I want to make sure of—is that those young Australians who do not live in major metropolitan centres where there are high levels of competition between tertiary institutions but are more than likely going to attend a regional university where there is little or no competition on a geographic basis, at least, have proper access to high levels of appropriate courses to meet their needs. What I fear is that, as a result of the changes the government is proposing, we are going to see a rationalisation of the courses that are offered in many of these universities so that they will specialise in one or two particular fields. Whilst that might suit the rationalisation that the government requires, I think it provides a significant handicap, and indeed a challenge, for many young Australians. That is what concerns me: not only the cost of access to university education but also the options that are available.

The Bills Digest informs me that critics of the higher education measures proposed in the 2007-08 budget have ‘interpreted moves to diversity and specialisation as pushing the sector to a more privatised, stratified and less equitable one’. That is the nub of my concerns. It is clear that the changes to the CGS and the removal of the cap on domestic full-fee places may well encourage competition for students and an associated development of different course offerings. As the Bills Digest again informs us:

There is a perceived benefit to universities such as those in the Group of Eight whose courses are in high demand and which attract the majority of full-fee paying students at public universities although the uptake in full-fee places will be constrained at some universities by the lack of facilities and a shortfall in infrastructure funding.

The Bills Digest argues:

The ‘one size fits all’ model will be further eroded by the increased student contribution rates for accounting, administration, economics and commerce ...

It goes on to say:

Regional universities will need to devise course mixes that are both attractive to students and meet regional needs.

I am concerned about that because I do not believe that the regional universities have to this point been able to meet that challenge. They have not been able to meet that challenge principally because of the significant cuts in funding provided for tertiary education by this government since it came into office in 1996. This government cut funding to higher education by $100 million in its first term in office. This government cut funding to technical and further education by 13 per cent in its first term in office and then increased it by only one per cent in its second term—an effective real cut from 1995 figures. This government actually reduced funding to universities by six per cent per student place between 1995 and 2003.

The government argues that we should look at the vitality of the university sector and the competition for positions in the great
universities of Sydney, Melbourne, Canberra, Perth, Adelaide and Brisbane—and, as we have a Tasmanian in the House, we should also refer to Hobart—but there have been significant staff losses and cuts to the course offerings at the Charles Darwin University. I am certain that those staff losses and the restructuring of courses being offered to students at Charles Darwin University and, I am sure, other regional universities can be directly attributed to the cuts in government funding since this government was first elected in 1996. That is a major concern, particularly in the context of this current debate about diversification and competition. We are seeing more and more pressure being placed upon these institutions, and we have to ask whether or not they have the capacity to make the sorts of changes that will see them able to provide the opportunities for university education and research for students within those communities.

I am attracted to two elements of this piece of legislation. The increase in the number of Commonwealth scholarships from 8,500 to 12,000 per year is a positive step. I hope that there is in some way or another an understanding that the bulk of those scholarships will go to people who live in regional Australia. From any observation that you might like to make, it is very clear that, because of locational disadvantage, the nature and cost of access to university education, the economics of relocating from one place to another and the dependency upon income from other sources, it is extremely difficult for young people who live in regional Australia to study at a university in a major capital city. I would encourage the government to ensure that the additional Commonwealth scholarships, when offered, are targeted specifically at young Australians who live in regional parts of this country.

I am also attracted to the introduction of the Indigenous scholarship classification, which will provide up to 1,000 scholarships to Indigenous students. That of course is welcome, but I go back to what I often say in this place—and I am sure that at least some members, certainly some members on my side of the House, will be sick of me saying this—and that is that it is all very well to have these higher education opportunities but, in the context of Aboriginal education in this country, and in Northern Australia in particular, there is a basic and fundamental requirement to provide young people with a school opportunity. Give them a school opportunity so that they can go out and compete in the labour market or move on to a higher education opportunity in a university or another tertiary education provider. This government has dropped the ball and has done very little to ensure that there are proper pathways for a young Aboriginal kid who lives in a remote community in the Northern Territory to go to a university in Sydney or Melbourne. Give them a pathway that provides them with that opportunity. But we need to invest in preschool, primary and secondary education before we are going to get the significant outcomes from the higher education sector that we want for Indigenous Australians.

Mr MICHAEL FERGUSON (Bass)

(4.36 pm)—I am very thankful to have the opportunity to speak in support of this bill, the Higher Education Legislation Amendment (2007 Budget Measures) Bill 2007. I was sitting here in this place on the Tuesday evening in May when the Treasurer handed down his 11th budget. When those of us who have been in this place only since the last federal election came in here and heard the 2005 budget, we were told that it was the Treasurer’s best ever budget. We were perhaps not expecting that, year by year, the good could get better, and this budget has certainly been the Treasurer’s best ever budget. It has been widely referred to by
commentators—certainly those in education circles—as a very clever budget. It is a budget that does recognise the great value of investing in education. The budget does include very grand initiatives in the education sector, and today I will be concentrating mainly on those initiatives which are concerned with higher education.

It is true to say that the education of all Australians has been a passion of mine during my time in this parliament. I bring to my role a variety of experiences—as, of course, we all do. Having trained as a teacher, my career in life was working in Northern Tasmanian secondary schools, teaching maths, science, IT and, as is often the case, being expected to teach many other subjects in the course of my time. I come to this place not pretending to be an expert in education—not at all—but as a person who is very interested in education and is genuinely committed to it, who respects the choices that parents, young people and, indeed, older people make for their lifelong learning. I am someone who is committed to providing support to them, to being there and to setting up the structures and the investments that are needed to make education in Australia a truly worthwhile activity—not just something that we impose on young people to make them pass some time, if you like, or to pass some sort of abstract test for future life.

Education is about preparing for the future, but it is also about preparing for the present. More than ever, students in Australia today are learning for the here and now—not for some abstract future career path. Students in Australian schools and higher education facilities—universities, tech colleges, TAFEs and the like—are very much engaged, because they see that their education is linked in with the demands of our economy. We are living in a very modern economy; in the last 20 years it has undergone a very substantial amount of reform. And the economy of today is not in any way reflective of the economy of the days even when I was in primary school. The economy of today is a very vibrant place. In some ways it is an unforgiving place, because things move very quickly. For example, in the information technology sector, if you choose not to keep up your skills—if you choose, for example, to leave the sector for a short while—you might find that very rapidly your skills are out of date. So the need for education is very much linked to the economy.

In speaking to this bill today, I wish to make some comment about the importance of running a strong economy, about the importance of responsible economic management, and about the way in which, over the last 11 years, the Howard government has been able to stabilise our economy, stabilise the federal budget, pay off debt and get the monkey off the government’s back in terms of always, year after year, having to make interest payments on a debt that the government inherited from the Labor Party. By being free from that debt, by being relieved of the burden of having to make yearly payments to creditors, the government has been able to begin—in this budget, for the first time ever—to make serious investment in the further reforms that are needed to make our economy stronger and to lock in the prosperity gains that some of us do take for granted.

I am very passionate about our investment in higher education. In this portfolio, $5 billion was announced for a new initiative called the Higher Education Endowment Fund. It is a perpetual fund, and it is something which I will expand upon in just a moment. I think it is fair to say that this fund is the centrepiece of the education package in this federal budget. There is also additional spending of $4 billion over four years, which includes the $3½ billion Realising our Potential package. The budget investment includes a major reform package which will, I think
quite genuinely, reshape the university and higher education landscape. It will certainly drive quality improvements in Australian schooling and in higher education. Until we as a nation are prepared to put into effect our belief that quality counts, we will have failed. As long as students are being churned through universities or institutions that do not have a passion for quality in education, we will simply be allowing something to occur on our watch which is a wasted opportunity for Australia and for Australians.

The budget also includes support for a range of initiatives that will go to ensuring Australia’s future economic prosperity by allowing all Australians to realise their potential through lifelong learning. I make that statement specifically so as not to make it exclusive to young people who have not finished college or gone to university. In announcing the budget measures, the Treasurer and the Minister for Education, Science and Training emphasised that the Australian economy does depend on its most precious and important resource, and that is its people. A well-skilled and well-educated population does improve workforce participation and allows people to make a contribution to the broader Australian community. It brings into the community, into the economy and certainly into the workforce people who in many cases have been alienated from it—people who, for whatever reason, have been excluded from the good things that can come from being better educated, from achieving their potential and from feeling as though they have a purpose in life. Lifelong learning can help people to gain value and a sense of self-esteem for what they are able to be in the community and, indeed, to other people.

The 2007 budget makes appropriations for the merger of the Australian Maritime College, which is in my electorate, in my home city of Launceston, and the University of Tasmania. The federal government will gift the AMC’s assets, which have been valued at some $61.4 million, to the University of Tasmania, putting into effect an agreement that was reached between those two organisations last year. This will facilitate the integration of the AMC into the university. They will merge effective from 1 January next year. The integration date is subject still to legislation that needs to come through this place and the other place to repeal the Maritime College Act 1978 and transfer the AMC’s assets to the University of Tasmania.

I take this opportunity to place on the record my present agenda, which is to push for that legislation to come here as soon as possible.

The Australian Maritime College, as the act gives away, was established in 1978, as Australia’s national institution for maritime education and training. It is one of the world’s best-equipped maritime training institutions. It had 740 full-time equivalent students in 2006. For many members in this place, it may well be one of Australia’s best-kept maritime secrets. The merger is designed to ensure the viability of the AMC as Australia’s national centre. It will operate as an institute within the university, with its own board, which will include experts in the shipping industry, shipping safety and the certification of seafarer training. AMC students will have the same rights and privileges as any other students of the University of Tasmania. The merger will enable the AMC—which will be maintaining its brand and its identity, as an institute of the university—to provide even better education and research opportunities. It will be able to better respond to the changing demand for its internationally recognised programs and to better prepare students coming from all over the world to Launceston, to the AMC, to acquire those skills.

Employees of the AMC immediately prior to the date of integration will transfer to university employment. There will be no invol-
untary redundancies of AMC employees. The AMC and the university were both seeking opportunities to develop greater capabilities to rationalise their costs. It just makes a lot of sense. Anybody who has been there will know that the AMC campus and the University of Tasmania’s Launceston campus are side by side. It is a very sensible approach to achieving all of the goals that I have mentioned. It is a genuine opportunity for the growing and important role of the AMC. I place on record my appreciation for the principals of both of these organisations and the very professional and mature way that they have worked through this affiliation and integration process. It has not always been easy, and it is fair to say that there have certainly been some tensions along the way. If you are working for an institution that you are very proud of, you would of course like to think that it will continue to function in the way in which it has functioned in the past and that there will be some future in the brand.

I now wish to elaborate on an initiative of the budget that I have already touched upon. As a member of the governing party here in this place, I am immensely proud of the Higher Education Endowment Fund. With an initial investment of $5 billion, it is extremely encouraging for the higher education sector here in Australia. This has been funded from the 2006-07 budget surplus, and it is another example of how sound economic management by this government has allowed for new initiatives. I feel that it is important to place that on record, especially in reference to certain statements about the 1996 budget which I heard from the member for Lingiari. Cuts were needed in 1996. Why were budget cuts needed in 1996? Was it because it had no choice. The budget that it inherited was $10 billion a year in deficit. Earnings were $10 billion a year less than expenditures. Not only that, the accumulated government debt of that time was $96 billion. Standing here today, it seems almost like ancient history; but it is not; it is recent Australian history that a government inherited this enormous fiscal problem.

Mr Price—1983, $9.6 billion.

Mr MICHAEL FERGUSON—Isn’t that an interesting interjection from across the chamber—somebody from the ALP trying to make a political point in response to a statement about this budget, which has for the first time been offered by a Treasurer who has cleared the debt, who has cleared $96 billion in debt? Isn’t that interesting? Ninety-six billion dollars is approximately half of the federal budget, and we were in debt that much. Repaying that debt—and it has taken all of those years, and the government had to get the first budget under control in the first place—and getting that monkey off the back has meant there is now more than $8 billion a year which the government is in a position to give back to the Australian people in new initiatives and in tax cuts. And so it should.

In a speech I heard earlier today, by the member for Melbourne, I think, a comparison was drawn between the government’s investment in the Higher Education Endowment Fund and Labor’s plan to rip some $2 billion or $3 billion out of the Future Fund. No such comparison is valid at all. The Australian government has deliberately set up the Future Fund to be managed by the guardians of the Future Fund so that governments, which come and go, will not be able to put their fingers into that Future Fund, which was specifically set up to pay the debts that we know that we cannot yet afford—those unfunded liabilities. There is no comparison between the government’s
position on the Future Fund, or indeed the Higher Education Endowment Fund, and Labor’s plan to raid the Future Fund for its broadband promise. However, the fund will promote excellence and quality in Australian universities for years to come, because it is perpetual. It will last longer than any of our careers here in this place. It will support the emergence of even more world-class institutions.

The dividends from the earnings of that initial $5 billion Higher Education Endowment Fund will be shared with universities in Australia. They will be used for capital facilities—such as research facilities—which students and researchers will be able to benefit from. The dividends will be shared based on strategic investment proposals which support the Australian government’s policy, which includes specialisation, diversity and responsiveness to local labour market needs. This is a modern education system. This is how you do it properly. It is not just about throwing money at problems; it is not about throwing money at vice-chancellors, hoping that they will go away happy. It is about setting up strategic initiatives in these good times to ensure that—heaven forbid—if bad times are ahead of us the structures are in place so that our higher education providers and universities are well resourced and so that Australia can remain a leading edge economy. It is an unprecedented investment. It is something that, as I have said many times, I am very proud of. I also look forward to next year’s federal budget—hoping like most Australians that the Howard government will again be delivering that budget—and hope that that budget and future budgets will deposit more funds from what ought to be future budget surpluses into that fund.

The last thing that I want to say about that endowment fund is this: it will allow us to do something in Australia which we have not done extremely well in the past. There are of course examples of institutions which have had generous benefactors who have bequeathed funds to university trust funds or other perpetual funds, the earnings of which go back into the institution. In other countries around the world they do it better. The United States and countries in Europe, such as Britain, certainly do it better than Australia. The Higher Education Endowment Fund gives Australian benefactors an opportunity to do likewise. Corporations and individuals who wish to make a contribution—for example, to the University of Tasmania—will be able to do so. The Higher Education Endowment Fund can be the vehicle for their donations. And those donations can be quarantined for a specific institution, which is excellent. Both sides of the House support that, because it is an excellent principle. It is a way for the Australian government to lever more finance and more investment from the community to help Australia become a better educated, smarter place and to strengthen our economy even further.

There are many initiatives in the budget that relate to education and they are the ones that I have concentrated on today. I commend the budget and I commend this legislation, which deals specifically with higher education, to the House. I hope that it is supported across all quarters. I pay tribute to the Treasurer for listening to Minister Bishop and understanding where she was coming from when she came forward, along with Minister Robb, with these initiatives. It is going to be great for Australia. Frankly, it is fair to say that it will take some time to see the long-term benefits emerge. Years will elapse before people look back to this time and say: ‘That was a really smart decision; that was a long-term, visionary initiative. It wasn’t just a $5 billion throw-away.’ By the way, you can get a lot of votes for $5 billion by spending them in the year. This is a $5
billion investment for the next 200 years which will make Australia a wonderful, more creative, smarter place. As I said at the start of my contribution, it is about helping young people—and indeed older people—to realise their potential, to gain more purpose for their lives and to feel as though they are a valuable part of our community. Thank you.

Ms OWENS (Parramatta) (4.56 pm)—The Higher Education Legislation Amendment (2007 Budget Measures) Bill 2007 amends the Higher Education Support Act 2003 to provide for the government’s 2007-08 budget commitments, indexation increases and other technical adjustments and measures. After more than 11 years of complacency and neglect, and within a few months of a federal election, the Howard government has finally decided to do something about higher education. This side of the House, which has been leading the agenda for some time with its education revolution, agrees to support the bill in recognition of the increased spending on education and more scholarships and Commonwealth supported places contained in it—finally supplied after 10 years of neglect.

There are some aspects of this bill, though, that are not welcome. Those that will increase HECS fees for students in my electorate, placing university education in some cases out of their reach, are not welcome. In moving a second reading amendment to this bill, Labor wishes to voice a few important concerns surrounding those aspects of the bill which threaten the educational future of many Australians, including people in my electorate of Parramatta, who dream of studying at university. One of the main concerns surrounding this bill arises from the changes to CGS funding levels across disciplines and the revised maximum student contribution, HECS, for commerce, economics and accounting courses. The impact of these changes will result in an increase in HECS fees for students in commerce, economics and accounting courses. That impact will be far reaching for future students in the electorate of Parramatta and the Western Sydney region.

In amending the Higher Education Support Act, this bill sets the maximum student contribution amount for accounting, administration, economics and commerce units of study at the same amount as law, dentistry, medicine and veterinary science units. What this means for the University of Western Sydney is that CGS funding cuts in 2008 due to the federal budget will see a decline in funding from $12,860,000 to $7,800,000, thus causing a loss of $5,050,000 from its accounting, economics and commerce courses. What this also means for future accounting, economics and commerce students is that the government’s cost cutting will ultimately be passed on to them through the inevitable rise in HECS fees for these courses to cover the gap in funding. Unfortunately, these changes will provide an additional disincentive to the students in Western Sydney—many of whom are already experiencing disproportionate levels of social and economic disadvantage—who want to invest in their future through studying practical courses such as business and accounting.

Another concern arising from this bill relates to the Howard government’s decision to lift the cap limiting the proportion of full-fee domestic undergraduate places. This decision to lift the cap on full-fee-paying students, which comes into effect on 1 January 2008, once again calls into serious doubt the Howard government’s understanding of the educational needs of the people of Western Sydney.

By promoting and supporting a user-pays system, this government is encouraging queue jumping and rewarding earnings over learning. Instead of taking responsibility for
adequately funding our universities, offering increased opportunities and investing in our country’s future, the government is doing the opposite by limiting learning for many who cannot afford to pay full up-front fees for education. In this regard I wish to support Labor’s proposed amendments to this bill, which would delete that part of the legislation lifting the cap on full-fee undergraduate places.

I also wish to bring the attention of the House to the part of this bill which amends the Australian Research Council Act 2001. The effect of this amendment is to reflect updated caps on funding for 2007-08 and to add the financial years starting on 1 July 2009 and 1 July 2010. Once again this measure is a case of too little and far too late. After letting research infrastructure run down over the past 11 years, failing to provide a real increase for ARC project funding and neglecting the Research Training Scheme, the government is now trying to make some eleventh-hour amendments. But these amendments will fall short of addressing the serious shortfall of young researchers needed to renew the academic research workforce; nor will these amendments go far enough towards closing the widening gap between Australian researchers and our competitors, which has allowed Australia to fall behind over the past 11 years. With falling productivity growth, inadequate levels of research and development and a record run of 59 trade deficits, a real boost to research and development is needed to reverse this decline.

The community response to the government’s initiatives regarding higher education has been quite illuminating. When it comes to increasing the HECS fees for business, commerce and accounting, the *Australian* on Wednesday, 30 May said:

The business sector has criticised the move, saying it will exacerbate skills shortages in important areas of the economy, particularly accounting.

Geoff Rankin, chief executive of CPA Australia, which represents 112,000 finance, accounting and business professionals, is quoted as saying:

We would like the Government to actually explain to us where the upside is.

Mr Rankin went on to say:

It is hard for us to see how this is going to attract more people into doing those courses. In fact, it might turn them away.

He then went on to call for an increase in the number of Commonwealth supported places in accounting. Sheena Frenkel, the general manager of the chartered accountants program and admissions at the Institute of Chartered Accountants, said:

... the profession and Australian business generally faced “really critical shortages off accountants at all levels”.

She went on to say:

If (the budget change) results in a negative impact on the number of young people selecting accounting as a career, then that is absolutely not good.

Tim Brailsford, president of the Australian Business Deans Council and the head of the University of Queensland business school, said the decision to slash business course funding was:

... rash, hastily made and not consistent with previous or current logic.

The Vice-Chancellor of the University of Western Sydney, Janice Reid, said:

It is a great worry to us ... It will be a significant disincentive for students who might have seen a bachelor of business or bachelor of commerce as a viable alternative to a bachelor of arts or a general degree in the humanities. I think for students in (UWS) who will be taking a degree without necessarily having the assumption of a good salary when they graduate, who see (business) as a good preparation for a career, it becomes a less attractive proposition.
The National Tertiary Education Union said:
The biggest losers from the Budget are clearly future students wishing to undertake commerce and business related degrees. They will face an increase in HECS fees of about $1200 per year, or almost $5000 for a four year degree, while at the same time seeing a cut of about $1000 per year in the Commonwealth’s contribution.

The government’s decision in the recent budget to reduce CGS funding for accounting, economics and commerce students and allow for an increased HECS contribution to be paid by students in these courses has some potentially serious consequences. This decision comes at the same time that the Howard government has presided over a drop in the number of students starting a university degree at the University of Western Sydney as well as cuts to the base funding of the university, further stretching its already overstretched resources and increasing the financial burdens on both the university and its future students.

According to figures released by the Department of Education, Science and Training, the number of students commencing courses at the University of Western Sydney in 2006 was 10,599, marking a decline of 11.5 per cent on the previous year’s commencements. The total number of students attending the University of Western Sydney in 2006 was also one per cent down on its 2005 student numbers. It is a measure of how out of touch this government has become that the number of people starting university at UWS has fallen at a time when Australia’s economy is desperately short of nurses, teachers, scientists and accountants. It is also a measure of how out of touch this government is with the growing population of Western Sydney and the needs of its university.

The University of Western Sydney made a submission to the inquiry into higher education funding and regulatory legislation and explained very clearly the issues that the university confronts. I will be drawing heavily on sections of that submission. The University of Western Sydney, as a new generation university, was established as a result of the sector-wide reforms of 1989. It is a direct product of the abolition of the binary system and mass expansion of higher education and has grown from under 10,000 students in 1989 to over 35,000 in 2003. Its legislative charter is to provide university level education and research in a regional context. For this university, regional context is the greater Western Sydney region, an area historically and to this day underprovided for and under-represented in terms of university level participation. The higher education participation rate in greater Western Sydney stands at three per cent compared to 5.2 per cent for the rest of Sydney. 10.5 per cent of greater Western Sydney residents have a degree compared with 20.8 per cent for the rest of Sydney—that is just over half. The number of students at UWS has continued to increase substantially. However, the growing population in the region shows a trend since 1996 of a widening gap in participation rates between greater Western Sydney and the rest of Sydney. The gap has grown from 1.8 per cent to 2.2 per cent over the period of 1996 to 2001, according to the ABS census data.

So we have a situation where, in Western Sydney, only 10.5 per cent of residents have a university degree, compared to 20.8 per cent for the rest of Sydney, and where people in Western Sydney enrol at only three per cent, compared to 5.2 per cent for the rest of Sydney. You cannot underestimate the importance of Western Sydney and the importance for this government and any future government to get it right out there. The futures of the University of Western Sydney and greater Western Sydney are interlinked. The UWS provides a broad range of courses and applied research across six teaching campuses in a geographic area of 2,000
square kilometres, encompassing 14 local government areas and with one-tenth of the nation’s population. Of UWS commencing students in 2003, 72 per cent came from the greater Western Sydney region.

The population of Western Sydney grew by 8.5 per cent in the last census period, 1996 to 2001, compared to 6.5 per cent for the rest of Sydney. It is predicted that 25 per cent of all of Australia’s population growth in the next 20 years will be in greater Western Sydney. In this regard, the region represents both the heartland and the powerhouse of national growth and development. There are 72,000 businesses in greater Western Sydney, and the region generates more than $54 billion in economic output a year, making its economy the third largest in Australia behind the Sydney CBD and Melbourne. Given the importance of this region and the growth that we are likely to experience, I will say again that only 10.5 per cent of residents in greater Western Sydney have a degree, compared to 20.8 per cent for the rest of Sydney, and they enrol at three per cent compared to 5.2 per cent for the rest of Sydney.

The region deserves a well-resourced, robust and vibrant university, providing the highest quality educational opportunities. How true that is. After 11 years of the Howard government, the people of Western Sydney deserve much better. The people in Western Sydney still enrol, as I said, at just over half the rate of the rest of Sydney, and the gap is widening. I ask the House today: how can that possibly be okay? How can it possibly be okay for any region in Australia, let alone for a region that is one of the drivers of economic prosperity for Australia’s future? Let me assert on behalf of my constituents and my colleagues on this side of the House who represent people in Western Sydney that it is not acceptable to us that people in Western Sydney are so far behind the rest of Sydney as a whole. Nor is it acceptable that our major university in Western Sydney has been ignored for so long by the Howard government.

Another aspect of this bill which I mentioned earlier is the likely prospect of an increase in HECS fees for accounting, economics and commerce students. Students’ rising HECS burdens, which are alarming and obvious, show just how out of touch this government is with both our students’ and our country’s educational needs. Statistics show that the government has decreased its commitment to education, with total education spending falling from 7.7 per cent to 7.4 per cent by 2010. They also show that overall investment in education is just 5.8 per cent of GDP—less than that of countries such as Poland and Hungary. At the same time, students’ HECS debts are consistently increasing. Since 1996, the cost of a university degree has increased by between $7,500 and $30,000 per degree, and student debt has more than tripled from $4.5 billion to nearly $13 billion.

The Howard government HECS hikes of 25 per cent mean medical students will pay more than $30,000 extra over the course of their degree, law students will pay over $20,000 extra and engineering students will pay more than $16,000 extra. Accounting students face paying almost $5,000 extra for their degree. Unfortunately, the electorate of Parramatta has not escaped the national trend in HECS hikes. Parramatta’s total HECS debt is $99 million and rising, according to figures provided by the Department of Education, Science and Training. Young people are being put off by the cost of going to university, and it is just not fair that young people have to take on these kinds of debts, particularly to undertake degrees which are seen very much as starting degrees. The Howard government’s only plan for our universities is higher fees, more full-fee payers and fund-
ing cuts. Labor wants to give Parramatta residents the world-class education and training opportunities they deserve. This bill does not do that. The people of Western Sydney deserve better than this bill. They deserve a world-class education system in their own backyard.

Mr HARTSUYKER (Cowper) (5.12 pm)—It gives me great pleasure to speak on the Higher Education Legislation Amendment (2007 Budget Measures) Bill 2007, which forms an important part of the measures which were introduced on budget night. It is a budget which has been very much referred to as the education budget—and quite rightly so—because of the very strong emphasis that it places on the important area of education. Higher education is, of course, vital from a national perspective. We need to innovate and we need to move forward in order to compete in a very competitive global marketplace. Failure to innovate effectively in the 21st century means that you are not only standing still but probably going backwards. So higher education forms a vital part of that innovation, that growth of our local talent and our intellectual capital that are going to allow this nation to prosper and grow. Education is of great importance not only at a national level but also at a local level.

I am certainly fortunate to have the Coffs Harbour campus of the Southern Cross University, which provides great benefits to the community, in my electorate. It is part of a very much larger campus which includes a senior high and a TAFE. It is known as the Coffs Harbour Education Campus and it allows students who have not even completed year 12 to complete their senior education at a high school level, to matriculate through TAFE and then to go on to university and postgraduate study. So a person who is interested in nursing would have the opportunity to go through completing high school, pursuing initially a TAFE qualification and then moving on through a degree and a higher education qualification after that. Coffs Harbour Education Campus is a great facility. It provides a very innovative and flexible way of learning for a great many people. It is of great benefit not only for the education services it provides but also for the jobs that it provides for people who are perhaps not in an academic sphere but supporting the education institution itself.

Expenditure in higher education in this budget did not just happen; it was very much a product of good economic management. Good economic management allowed the government to expend the huge investment that has been highlighted in this budget. Good economic management made that possible. It is not possible to run a budget deficit while continuing to improve investment in higher education. Of course members opposite are very skilled at spending more than they earn. Bad economic management and running deficits is their stock in trade. When it comes to deficits they wrote the book.

Not only are we providing increased education funding in this budget, but we are doing it while maintaining a budget surplus. This government has paid back $96 billion of Labor’s debt, which has made available some $8 billion per annum for spending on providing services for the Australian people—$8 billion not going to pay interest and which can now be spent on providing services. The reduction in our unemployment rate means that the unemployment queues are shorter and the number of taxpayers is greater. Effectively, we have fewer outgoings by way of unemployment benefits and more tax receipts by way of improved employment outcomes—all adding to the ability of this government to manage the economy and provide more revenue to deliver services such as higher education.
We saw under Labor growing unemployment queues. Under their economic management the unemployment queues grew, the cost of unemployment grew and tax receipts fell. This government has taken the exact opposite approach. We have grown jobs, created opportunities and created more revenue and we have been able to deliver improved services as a result. Somehow members opposite believe that good economic management is all some sort of happy coincidence and that we do not have to take the hard decisions. We well know that they voted against all the difficult decisions. They voted against all the measures that have got us to the point where we are today. Members opposite, as a single voice, have been voting against it. They voted against the reform of the waterfront and against tax reform—all measures that have got us to a position where we can invest large amounts in higher education. They have been voting against the means of getting us there. It beggars belief that they can consider that the economy is just going to move along and happily generate surpluses by some happy coincidence.

It is very important that we have good economic conditions for businesses to prosper and grow. Profitable businesses pay more tax; taxpaying businesses allow us to finance services. A high interest rate and high inflation regime is not a friend of business—it does not allow business to make the sorts of profits that are needed to underpin the services that people require. It is the peak of hypocrisy for the opposition to say that we are as one on economic management when they actually voted against all of the measures that got us to the point where we are today. It is the peak of hypocrisy for them to say that they support the government when in fact they do not. It is all an elaborate hoax. This government has been able to do a range of things in this budget because of good economic management and to make some very substantial investments in education.

Members opposite want to turn the clock back. We want to take this country forward. We want to drive the economy harder and we see higher education as a major way of doing that. The budget introduced the Higher Education Endowment Fund, which is a very innovative approach to education and will be provided with some $5 billion out of the surplus. That is the interesting thing: when you are running a deficit you cannot put away the sort of money that is being invested in this budget—that is, some $5 billion for a fund to benefit higher education by providing for its capital needs and for the establishment of research facilities into the future. If you are not running a budget surplus you cannot do that. But when we look at the record of the members opposite we see deficit after deficit. And they were deficits of a huge proportion at a time when the economy was much smaller than it is today—that is, $13 billion deficits on a base that was much smaller than it is today. It is a tragic economic record and one that will not support further investment in higher education.

The important part of this fund is that the government intends to add to it by investing future surpluses into it so that there will be even more funding available for the capital needs of universities. This money will be distributed to individual universities for capital facilities and research facilities. The budget also provides $556.9 million over four years to simplify university funding structures and to provide additional funding for disciplines in areas of skills needs. This is particularly welcome in the area of teaching. The increase in funding for teaching has gone from $7,950 per annum in 2007 up to $8,217 in 2008. That is certainly a welcome improvement. As Chair of the Standing Committee on Education and Vocational
Training, I certainly welcome that increase in investment for the training of teachers.

There is some $211.2 million over four years to give universities greater flexibility to manage student numbers and course mixes, respond to student demand and address skills needs. This measure will allow relaxation of the cap on university enrolments. There is $208.6 million in funding to create a new diversity and structural adjustment fund to assist universities to diversify and to specialise. I am pleased to add that priority will be given to regional and smaller metropolitan universities that can demonstrate the greatest need for structural reform. Also in the budget is $77 million over four years to help teacher education students obtain more practicum experience in the classroom before they enter the profession. This is a very important measure. The provision of practicum for undergraduate students is an expensive part of their training. This budget will provide a minimum of 120 days of practicum for three- and four-year courses. I know that it is something that is going to be welcome. In my time as chair of the committee we had the opportunity to go around and interview a range of students from various universities around the country and one of the things that they were very keen to do was to get plenty of quality practical experience.

I think it is vitally important that trainee teachers not only get a specific number of days of practical experience in the classroom but that the experience is a quality one that is well integrated with their theory of pedagogy and their other academic courses at university. I think it is a very welcome measure; that $77 million will be very well spent by this government. The government will also provide $102 million from 2008 to establish summer schools for teachers looking at areas such as literacy, numeracy, history and science, which are vitally important. It is also a vitally important concept that the education of a teacher does not end when their undergraduate degree ends. A teacher really needs to be involved in lifelong learning. Whilst many of the subject items they study are foundation stones and do not change, there are a range of fields that are changing all the time. It must be very challenging for a teacher to be teaching computing in the 21st century when our children are so computer literate. So ongoing professional learning through measures such as these vacation schools is a great investment. Providing teachers with an incentive by paying them a $5,000 bonus to complete such a course is, I think, a worthy recognition of their investment in training young Australians into the future. It is a worthy recognition of the importance of lifelong learning for teachers.

There is also $222 million to improve access to tertiary education over four years. There is $87 million over four years to extend eligibility for rent assistance to Austudy recipients, benefiting 11,000 students aged 25 and over. There is $43 million over four years to extend eligibility for youth allowance and Austudy to students who are doing a master’s by coursework which is a minimum entry requirement to a profession or is part of a restructure of an existing course. The government will increase the number of Commonwealth learning scholarships from 8,500 to 12,000 each year, commencing in 2008. That is at a cost of some $91 million over four years.

This is a very fine budget that has been introduced by the Treasurer. It is a credit to him. The focus on education is a vital one for our nation, both now and into the future. We are able to do this because we are strong economic managers. We are able to do this whilst maintaining a surplus. The members opposite seem to think that the economy will run itself, that these surpluses will be around into the future. That is clearly wrong. They are deluding themselves and they are trying
to delude the Australian people that they can pull out the cornerstones of our economy, reintroduce an antiquated industrial relations system and expect that somehow the economy will grow. They will be back to their sad old ways if they are handed the keys to the Treasury; they will be running deficits again before too long. I think it would be a grave mistake if at the next election the people were to hand them the keys to the Treasury. That would end the sort of economic reform that has taken place under this government and replace it with a regime that, despite all their rhetoric, is actually backward looking and not forward looking. I commend the bill to the House.

Ms KATE ELLIS (Adelaide) (5.25 pm)—I rise to also place on the record a contribution to debate on the Higher Education Legislation Amendment (2007 Budget Measures) Bill 2007. I do so, of course, on behalf of the people of Adelaide and also to show my support for the second reading amendment moved by the member for Perth earlier today. After listening to government members speaking in this debate, including the contribution by the previous speaker, some of us could be mistaken for thinking that after this legislation is passed all of Australia’s higher education sector problems are going to be miraculously cured. Sadly, this is not the case. After 11 years of neglect by this government, our higher education sector needs a lot more work and a lot more input than that which is contained within this legislation. Whilst it is refreshing to see that the government have been reminded that they do indeed have responsibility for our universities, many people in the community may have forgotten that over the past 11 years for good reason. At times I forgot that during the contribution of the previous speaker when we were hearing about the waterfront and interest rates. Anyway, it is very refreshing to have the government come to this parliament and introduce measures for our universities. It just would have been better if they had been realised and acted upon at some time during the last decade, not just in the lead-up to the next election.

I was reminded that in previous elections this government has had some problems having things to say on the matter of higher education. At the last federal elections in my seat of Adelaide, which is a marginal seat, we had a series of debates during the campaign, which the then sitting Liberal member was happy to attend. We debated human rights, poverty, homelessness, health and range of issues. But for one issue the member was absolutely adamant that she was unavailable to attend a debate. That issue was higher education. One of the universities in the electorate tried to organise a debate, and the sitting member was continuously unavailable at the time suggested. Finally, it was given to her to find any time she could come and talk about the Howard government’s record on higher education. Sadly, she was unable to do that and, for the only occasion in any of those debates, sent along a senator instead because she did not want to discuss higher education in the seat of Adelaide.

At least this legislation does offer some long-awaited positives. Sadly, it also contains some further nasties for our higher education sector—nasties which I argue are not in the best interests of our country and our students. In particular, I would like to outline my concern about measures in this legislation that further increase the HECS burden on many young Australians. I also want to speak about the latest move, contained in this legislation, to lift the cap on Australian full-fee-paying places—something I personally find absolutely abhorrent. But first I will commend the government on some of its measures, particularly the announcement of the Higher Education Endowment Fund. Within my seat of Adelaide there are two
universities and several campuses. The University of Adelaide is one example where funds for infrastructure are very much needed. It is an absolutely beautiful campus with some very old buildings. I am sure there will be people at Adelaide university who are delighted to see that parliament is discussing putting more funding into infrastructure on our university campuses. The University of South Australia is also in my seat of Adelaide. It is a university that has undergone some amazing capital works projects recently. It has built some new, state-of-the-art facilities and would also welcome more government investment in university infrastructure.

The issue of higher education, and particularly this government’s neglect of the higher education sector, is something that has affected my life. It may be credited, or discredited, as one of the factors which led to me being here today. I was not an overly political person until, during my time as an undergraduate student, I had the misfortune of being at university when this government came into office and slashed the funding to the higher education sector. I saw firsthand the consequences of that and it is something which, at the time, I said I would fight to make sure that Australian students have access to a quality higher education sector with ample government funding.

Whilst the government has unveiled plans to look into the infrastructure of our universities, sadly the problems in our higher education sector are far greater. One problem is the completely inadequate levels of funding to the universities themselves. Another is the massive cuts that have been given to student income support and the fact that we now have students struggling to juggle their studies with three or four part-time jobs whilst they are at university. We have seen the attack on student services on campus through the government’s VSU legislation. We have also seen massive increases in HECS fees and, of course, this government’s introduction of full fees for domestic undergraduate students.

People, quite rightly, point out that it was a Labor government that introduced HECS. I studied under HECS and do not have a problem with the notion of somebody being asked to make a contribution towards their education. There is no doubt that people receive a personal benefit, as well as benefiting the common good, from undertaking their own educational pursuits. The problem is with balance, and we need to make sure that we get the balance between the personal and government contributions right. That is where the government have continually distorted the HECS system to shirk their funding responsibilities. In 1997, the government increased HECS fees by between 35 and 125 per cent. In 2005, they then gave our universities a green light to increase HECS fees by a further 25 per cent. The HECS fees in this country are now so overwhelming that they are pricing many talented Australians out of a higher education.

The Minister for Education, Science and Training states in this parliament that this is not the case. She often talks about reports or studies which state that HECS fees in this country are not a disincentive to students undertaking a higher education. I say to the minister that she should put down the reports, go to a university campus and talk to the students there, because she will hear a very different story.

A conversation I had, which will never leave me, was with a woman in my electorate during the last election campaign. I spoke to an Adelaide mother about higher education and I mentioned that the government had a proposal to allow a green light for a further 25 per cent HECS increase. She was, very proudly, telling me about her son who
was in year 12 and about how hard he worked and how it was his ambition to be the first member of their family to go to university and get a degree. She told me about how he was juggling his part-time work and how committed he was to his studies. She then broke down and explained that, if HECS fees continued to go up, she thought she might have to tell her son that that would be a bigger debt than any member of their family had ever taken on before and that maybe he should not go on to university. This is the real-life impact that these ever-increasing fees are having on young Australians and on Australian families. We had that election and the fees did increase. I often wonder what happened to that young man, and I also wonder how many other young Australians are out there in exactly the same boat.

Last year, the previous shadow education minister and I visited Adelaide university and spoke to some of the students and it was a very eye-opening experience for me. We spoke to a group of young undergraduates and asked them what they were studying, and there was quite a diverse range of courses that they were engaged in. We then asked why they had chosen those courses and the responses were quite shocking to me when people said, ‘Well, you know, I’d always dreamed of going on and doing this other course, but I looked at how much they each cost and this one was much cheaper, so I thought that I’d do this one instead.’ This is what is happening on the ground.

These huge HECS fees are a massive disincentive to kids following their dreams and pursuing the careers that they long to pursue. They are being priced out of many careers because of the massive level of HECS burdens being placed on them. Sadly, this legislation does nothing to fix this; instead it offers further HECS increases. Contained in this legislation we see a green light for further increases in the HECS levels for students studying accounting, commerce and economics and this is precisely the wrong direction that we should be going.

The House of Representatives Standing Committee on Family and Human Services, of which I am a member, recently held an inquiry into balancing work and family in Australia and heard evidence about the impact that HECS fees were having on young people’s decisions to have families. We have a Treasurer who is quite happy to stand up and tell the people of Australia that they should have one for the mum and one for the dad and one for the country, but let us look at what is actually impacting on decisions. If we really want to increase the birth rate then how about listening to those young people out there who are saying, ‘When we have massive HECS debts, that is not an opportunity time for us to make the decision to have a family or to increase the size of our family.’ When you combine that with the ever-increasing cost of homeownership in this country—and first home ownership is becoming more and more unattainable for many young Australians—I think this parliament should be debating the long-term consequences of such a massive HECS burden on young Australian students.

Moving away from the HECS issue, there is sadly another nasty in this legislation when we look at the issue of full fees. This legislation removes the cap on domestic Australian full-fee-paying students and enables wealthy students, who can afford massive up-front fees, to access a higher education that may be denied to more worthy students who have worked harder, received better results and are more qualified. Can anybody really say that this is fairness that this government offers in higher education?

It has also been revealed that for the first time ever Australian universities are able to
offer some undergraduate degrees solely to those who can afford to pay for them up front. Lucrative courses such as, say, law or dentistry can now be organised under the changes in this legislation to actually offer zero Commonwealth supported places but a number of up-front fee-paying spots. Personally I find it completely abhorrent that this federal government is today introducing an education system which encourages queue jumping and now rewards earnings over learning. That is where we are at in this debate today. Education in this country must be something that all Australians can access. It cannot be that we have a country where young kids who do not come from a wealthy background now say that there are some degrees which they are being priced out of, that they can never access no matter how hard they study or how worthy they are.

What do we hear from the education minister when we put this to her? The education minister has the gall to come into this parliament and say that what the government is doing with Australian full-fee-paying places is offering Australian people 'choice'. How out of touch is this government if they cannot recognise that there are a large number of Australians who simply do not have the choice to pay $100,000 or more for a degree! This is not a choice that many Australian families have open to them.

The other argument that we have heard about full-fee-paying places, which the Prime Minister likes to come out with every now and then, is that we on this side of the House are trying to discriminate against Australians because overseas students can come in and pay full fees and access university places. But of course there is one very big difference here. Overseas students have not had parents that have been paying taxes for Australia so that their children can access a higher education system. That is a very key difference which the Prime Minister conveniently omits.

The government members who have contributed to this debate have spent some time reading quotes from vice-chancellors praising the move to remove the fee on full-fee-paying places. There is a very simple reason for this: of course they would. These are the vice-chancellors who are crying out for funds for their universities because this government has neglected them for the last 11 years. These vice-chancellors are now becoming increasingly reliant upon either overseas full-fee-paying students or domestic full-fee-paying students because they need any way to get more funding into their universities as the Howard government has neglected them for far too long.

In my own electorate in Adelaide the Adelaide university vice-chancellor has already indicated that the university would try to lift domestic fee-paying places, hoping for an increase from three per cent to five per cent of enrolments. We have also seen one Australian university reveal that it now receives a massive 45 per cent of its total revenue from overseas students' up-front fees. This is why the vice-chancellors are coming out and raising this proposal, because they are completely reliant on this funding.

It is really disappointing that we have so many members of this parliament that do not take into consideration the effect that this is having on young Australians when they are being placed further and further out of the higher education sector. I look across this chamber regularly and see so many government ministers, many of whom benefited from a free education in this country, that have absolutely no idea of the financial pressures that they are putting on young Australians today.

In contrast, for a long time we have been talking on this side of the House about the
need for an education revolution. This does not just include the higher education sector. We are talking about early childhood education, schools, trades, training institutions and our universities. We also believe that it is the Commonwealth government that has the responsibility to adequately fund our universities. We talk about this not only because it is a social issue—and I unashamedly believe that education is one of the best ways to improve people’s prospects of life and improve their future prosperity—but we also argue it because this is a really important economic debate. We need to realise that as we move forward into the 21st century education is not just social expenditure; it is in fact integral to our economic growth. We are a nation intent on competing on the international stage as a knowledge based economy, and investment in education and human capital is surely our very best chance to do that. Investing in our best and brightest is surely the only way to do that. Australia’s future prosperity will be built on fostering education, skills and trades amongst our people, enabling us to compete in a competitive global market not just by pursuing an outdated ideological approach to outsource the cost of our education and increasingly push the burden further and further away from the Commonwealth government and more and more onto the shoulders of young Australians who can least afford it. There are some shameful elements of this legislation, particularly the full-fee-paying measures and any moves to further increase HECS. It is time we got serious about debating the long-term consequences that this is having on the young people that we should be investing in and educating today.

Dr JENSEN (Tangney) (5.43 pm)—I rise to support the Higher Education Legislation Amendment (2007 Budget Measures) Bill 2007. Interestingly, it appears that class warfare is alive and well in the Labor Party. Education revolution? I imagine that would come from the Che Guevara school of education. The Minister for Education, Science and Training has put in place the final pieces to end the administrative and educational straitjacket that was imposed on institutions of higher education under the former minister John Dawkins. The bill also reflects the philosophy of the coalition which underpins legislation, that is, fairness and freedom to choose.

This is in stark contrast to the typical Labor position of one-size-fits-all and the arrogant and misplaced authoritarianism of ‘we know what’s best and what’s good for you’. The concepts underpinning the first-class education system are: access, quality, sustainability and equity. I shall address each of these in turn and this will illustrate how the initiatives of the coalition government are ensuring that higher education in Australia is the envy of the world. We aim for quality and accessibility for students who wish to avail themselves of further education.

The first aspect is access to relevant and needed courses. We live in a world of constant change, and nowhere is that more evident than in the workplace. There are many jobs today that we hardly even conceived of a decade or two ago. Science and technology are two areas in which that is especially pertinent. Many established professions have new disciplines, areas of expertise and requirements. It is imperative that our education system can move with the times and provide the education and training that business and the public sector demand. The main impact of this bill will be in the area of institutional freedom and relevance.

Universities have for some time been calling for more flexibility and fewer artificial caps. Contrary to the picture being painted by the Labor Party, some Commonwealth supported places are unfilled. These places are currently being wasted because they can-
not be transferred to an area of unmet need. In contrast, under the coalition government’s reforms, higher education institutions, HEIs, will have more flexibility to respond to supply and demand, especially from employers. They are in the best position to ascertain and to advise about future skills and training needs in their industries. These reforms will also relieve the administrative burden to a considerable extent by simplifying funding structures. This new flexibility will be backed up by funding to support HEIs during the reform process. This will ensure that all HEIs are able to obtain the maximum benefit from these important changes.

The next aspect of education I wish to address is quality. Having a longstanding interest in science, I was particularly gratified to note the extra funding going into maths, statistics, engineering, science and surveying, to name but a few areas. Frankly, there is no getting past the need for investment in producing graduates in hard sciences; that is, those technical areas that underpin our infrastructure, manufacturing and technical skills base. I also support any measure that will attract more young people to science related courses. For too long science has been the poor relation in many HEIs and has had difficulty in attracting students, partly I suspect because of the rigorous nature of the courses. At one Western Australian university a few years ago the TER required to get into the physiotherapy course was in the mid 90s, whereas to get into the nanotechnology honours degree the TER was in the 70s. Therefore, I support any measure that makes science related subjects more attractive.

Equity is one of the opposition’s favourite catchcries. To Labor, equity means preferential treatment for those demographic groups that will be prepared to show their gratitude by delivering block votes to the Australian Labor Party. One area of this bill, about which there has been much debate and which relates directly to access and equity and which is, of course, continuously and wilfully misrepresented by the opposition, is Commonwealth supported places, that is HECS-HELP places.

In yet another tediously predictable scare campaign about this legislation, the opposition spokesman painted a worst-case scenario as the one most likely to happen. He foretold that universities would choose to remove Commonwealth supported places from certain areas such as law, medicine and dentistry so that only full-fee-paying students would be able to enrol. Indeed, I heard the member for Adelaide mouthing much the same. There are at least three reasons that the opposition spokesman is wrong in his doom and gloom predictions. The member for Perth, channelling Chicken Little for all he is worth, knows he is wrong, or he should do—just as he was wrong about common-law contracts recently in an ABC interview.

The first reason that his dire predictions will not eventuate is the continuation of the policy ensuring that HEIs must fill their Commonwealth supplemented places in each discipline cluster before offering any full-fee-paying places. Members should be aware that only a handful of courses in a handful of universities got near the cap of 35 per cent, or in the case of medicine 25 per cent, for full-fee-paying students. Therefore, the idea of Mercedes loads of rich kids keeping out the deserving poor is yet another Labor myth, thanks to the higher education funding of the past 10 years.

Secondly, if an HEI tried to close off an area of study to HECS-HELP students, the minister has the discretion to insist on places being provided in certain areas. Therefore, this minister is taking direct responsibility for ensuring that HEI places are distributed fairly and equitably. She has also displayed great faith and trust in our universities and
colleges that they will behave in a credible, responsible and ethical manner. Members should compare that attitude to the opposition’s attitude. Judging from the words of the opposition spokesman on education and training, clearly he and the opposition believe higher education institutions are the bastions of feudal attitudes that are run by elitists who will keep out the hoi polloi in favour of the wealthy. That is not a very fair or balanced view of our educational institutions, and it is one that I am sure any vice-chancellor would repudiate in an instant.

I understand that many HEIs have already told the government that they would not permit that imbalance to occur. Any significant shift in student loads would also become apparent quite quickly. Apart from the altruistic philosophical attitudes of equity, fairness and giving opportunities to those who could not afford to attend higher education institutions without assistance, there are also far simpler reasons: competition and choice. As these are concepts which are beyond the ken of members opposite, I shall speak slowly. I apologise for the lack of subtitles.

There is no doubt that some of the brightest, most hardworking and motivated students are those who have been given a Commonwealth supported place. These students are determined not to squander this opportunity and to ensure that they get the maximum benefit from this assistance. Labor would have you believe that universities and colleges will deliberately exclude these students, who would bring great credit, if not prestige and recognition, to their alma maters for their achievements and instead, they would favour full-fee-paying students.

I cannot accept that university administrations are so mean and greedy and anti-egalitarian as to take this course of action, even if Labor clearly does. This is yet another attempt to dress up tired, old class warfare and the politics of envy—ideological wolves—with the sheep’s clothing of concern for students. In fact, this expressed disdain, bordering on hatred, of so-called ‘rich’ people was never better exposed than in the words of a close friend of the member for Kingsford Smith, who would fall into the despised category of ‘rich’ himself. Rob Hirst, former drummer and songwriter for Midnight Oil, described the permitting of full-fee-paying students in the Bulletin of 26 January as:

We’re getting thicker. Our unis are filling up with dumb, rich kids whose daddies have paid to queue-jump them over the heads of their brighter, poorer peers.

That sounds exactly like what I have heard from so many members opposite.

Apart from the inherent sexism of implying that only fathers earn enough to pay university fees—and I am sure the Leader of the Opposition would have something to say about that—the almost comically dated political rhetoric of these comments show an appalling lack of knowledge of the situation within Australian universities. This is the third reason why Labor’s predictions of wilful education deprivation will not eventuate, not under a coalition government, anyway. There are currently more higher education students and more places available than ever before. In fact, between 2004 and 2011, there will be 50,000 more places. This exposes the misinformation being peddled by those opposite. The issue of student places being held back by government is rubbish and manifestly disingenuous. Not only are there so many more places but the funding has increased significantly.

Despite Labor’s propaganda, here are some more facts which those opposite refuse to acknowledge. Since 1995-96, there has been a 31 per cent real increase in the funding of higher education. I will repeat that for
the selectively deaf members opposite: a 31 per cent real increase. That is a fact, despite Labor’s claims that Australia’s public funding of universities has gone backwards. Not only that, but it is all thanks to the excellent financial management of this government and the Prime Minister and Treasurer, in particular, which has permitted this exceptional funding increase to be possible. Why? This is something else which those opposite, especially the member for Brand, will not want to hear. This directly relates to the fourth concept underpinning the coalition’s educational reforms, which I referred to at the beginning of my speech: sustainability. The funding in this year’s budget for higher education is around $8.8 billion, a huge financial commitment. Coincidentally, that figure is also significant for another reason.

That figure of around $8 billion was what it was costing the Australian taxpayer each year in interest payments for the great Australian debt black hole, courtesy of 13 years of Labor. We are funding our higher education system simply by the savings we have made in interest payments. This expenditure not only shows the coalition’s commitment to higher education but also how critical sound financial management is in being able to provide such education. Thanks to the coalition government, that black hole has been closed off and it will no longer suck the financial lifeblood of this country. Education is merely one of the many beneficiaries.

There is a further reason why Labor’s phoney hand-wringing about Commonwealth supported places is so easily exposed as baseless. The government has received some extensive research into the issue of unmet need. This was estimated to be about 13,000 places. In other words, there were 13,000 Australians seeking a higher education place who were unable to get in. This is where the true significance of the government’s budget measures can best be appreciated. From next financial year, the government will fully fund over-enrolment in courses by up to five per cent. Keep in mind that there is an unmet need of 13,000 places. If we apply the five per cent overenrolment allowance to every course in every higher education institution, it would allow the creation of over 21,000 extra Commonwealth supported places. This is about 8,000 places more than is currently anticipated will be needed. That is one of the major planks in ensuring true access to quality and sustainable education for all those who want it in this country.

On 10 May 2007 the Deputy Leader of the Opposition was asked at a doorstop why Labor cannot say if it is going to stick to the policy position that it will not be allowing some full-fee-paying students. The member for Griffith has left the door open. What a perfect opportunity to articulate a major aspect of higher education policy. What was the deputy leader’s incisive response? She said, ‘These are matters that will be dealt with by my colleagues, most particularly Stephen Smith, so I will leave it at that.’ There are only three reasons for such a hopeless answer: (1) she did not know the answer, (2) she did not like the answer or, (3) the answer is up in the air. There was not enough focus group consultation, perhaps.

That same day it was reported by Samantha Maiden and Steve Lewis that ‘the opposition leader shocked his own frontbench by refusing to rule out a backflip on full-fee degrees’. On the same day, Michelle Grattan wrote:

Opposition Leader Kevin Rudd has left the way open for a Labor government to retain full-fee-paying places for domestic undergraduates. This is despite Labor’s platform, endorsed recently, saying these would be phased out.

Labor’s policy is unclear. Perhaps a bit more focus was required. Such indecision should make the Leader of the Opposition the Vicky
Pollard of Canberra: ‘Yeah, but no, but yeah, but’!

Having thought that he had dug himself out of that particular hole, the Leader of the Opposition was then faced with the university response to phasing out full-fee degrees. Not surprisingly, they are saying that they want to be compensated for the loss of money. Who could have guessed that? Just about everyone, except those ‘proven unsuccessful people’, as Mr Keating called them. One wonders just how hard it is to toss a coin. Furthermore, University of Sydney Vice-Chancellor Gavin Brown said:

I’m saddened that, for ideological reasons, thousands of students would be denied educational opportunities of their choice.

Finally, let me share one story which illustrates why full fees are still important. A few years ago a young lady in my electorate did not achieve the TEE marks she needed for her chosen course. She was utterly distraught. Her parents went with her to the university open day in January. She was told by the most helpful Dean of Students from Curtin, Mr Alan Rendell, that she could pay full fees for the first year and that, if she passed her exams, she could then be accepted as a HECS student. Her parents were not rich—just ordinary, hardworking Australians who wanted the best for their kids. They paid full fees for their daughter for the first year. In return, she worked part time in the final two years of a full-time law degree, working 2½ days a week and studying at night. This is the sort of dedicated young person that the member for Kingsford Smith’s friend sneeringly refers to as a dumb, rich queue-jumper. Nothing could be further from the truth. She did very well, completed her degree under the HECS system and went on to several other postgraduate qualifications. She now has a great job with a fine future, thanks to the opportunity to undertake this course—something which those opposite would deny her in a heartbeat because of some misplaced 19th century chip-on-the-shoulder ideology.

I will leave you with the comments of a migrant who came here for a better life for himself and his family. He says:

We brought three kids with us plus our graduate and post graduate qualifications. The eldest child has just qualified as a mechanical engineer, the second child is going into third year engineering and the youngest child is in second year psychology. All this on the wonderful HECS scheme where for the price of a small new car you get a first class university education. We are Australian citizens—the ceremony was a milestone in our lives. And yes, we support John Howard, all of us.

Mr TOLLNER (Solomon) (6.03 pm)—I am honoured to speak today on the Higher Education Legislation Amendment (2007 Budget Measures) Bill 2007. The bill will amend two acts—the Higher Education Support Act and the Australian Research Council Act. I am pleased that the amendment to the Higher Education Support Act will enable the expansion of the Commonwealth scholarships program to provide an additional 3,500 Commonwealth scholarships annually. Two thousand of these new scholarships will be available to students who may not otherwise qualify for a higher education place to study a two-year associate degree as a pathway to a full degree. Northern Territory students are set to gain from this amendment.

The bill provides an additional year of funding for 700 Commonwealth Education Costs Scholarships and 210 Commonwealth accommodation scholarships for Indigenous students undertaking a higher education enabling course. The Commonwealth scholarships program will also be expanded to include a one-off payment of $4,000 to eligible Indigenous students to assist with the costs of attending university. In this way, up to 1,000 Indigenous higher education students
will be assisted each year. The increase in scholarships provides students from low-income backgrounds, particularly those from rural and regional areas, with increased opportunities to go to university. Participation rates for students in rural and regional areas have been largely unchanged over the last decade. The additional scholarships will provide more help to students who really need it.

The amendment bill will change the current administrative arrangements for the scholarships to ensure that they are offered at around the same time students are offered a place. This will help students make better informed decisions about which offer to accept. Scholarship funding will now be paid directly to students by the Australian government. Commonwealth scholarships provide opportunities to attend university for students who otherwise might not. The increased number of scholarships will help to build the nation’s skills for the benefit and future prosperity of the country. This bill is further evidence of the Australian government’s commitment to making the higher education sector more responsive to student demand by making a university degree even more accessible to students.

The May federal budget was very much an education budget. For young people, it opened up even more educational opportunities, allowing them to recognise their full potential. The facts speak for themselves. Howard government investment in higher education increased 31 per cent in real terms from 1995-96 to 2007-08. The budget provides $1.9 billion for higher education, plus an additional investment of $5 billion in a perpetual Higher Education Endowment Fund. This includes $222 million for further support for students and practical things like extending rent assistance to full-time students aged 25 years and above who are receiving Austudy. From 1 January 2008, around 11,000 students could be eligible for rent assistance for the first time. The measure will support mature-age participation in higher education and will contribute to increasing the skills base at a time of skills shortages. Mature-age Indigenous students receiving Abstudy are already able to receive this rent assistance.

The bill will also extend the youth allowance and Austudy to students enrolled in an approved masters by coursework program which is required for entry to a profession. This is a bonzer budget for education. Do not just take my word for it. The President of the Australian Vice-Chancellors Committee, Gerard Sutton, said that the budget is ‘spectacular’ for the higher education sector. Compare this with Labor’s policy to abolish full-fee-paying places. As the member for Tangney just outlined, this would cost in the order of $500 million over four years, and that is not including private universities, like Bond and Notre Dame, or postgraduate places.

The Higher Education Legislation Amendment (2007 Budget Measures) Bill 2007 removes red tape and constraints on flexibility in a number of areas and provides real opportunities for young people. The bill provides Australian universities with more support for structural reform to promote greater specialisation, diversity and responsiveness to our local labour market needs under the new Diversity and Structural Adjustment Fund. The fund will allocate $209 million over four years to universities that can identify strategies to better meet student and employer demand. The fund will particularly focus on addressing the capacity of universities to meet our local market needs. Priority will be given to universities in regional areas and smaller metropolitan universities which can demonstrate the greatest need for structural reform and the greatest input in local labour markets.
The federal government will reduce the amount of red tape that binds universities by working with the states and territories to streamline the relevant regulatory and legislative requirements. It will ask the states and territories to refer regulatory powers over their financial management of universities, which will prevent duplication and reduce red tape. Specifically, there would be only one layer of financial auditing and associated reporting requirements imposed on universities.

The bill is part of an unprecedented investment in higher education. Together with a range of other measures, it will fundamentally reshape the higher education landscape. This will allow more of our universities to be world-class and encourage greater excellence, diversity and specialisation in the sector. Media coverage of the education component of the budget focused on the $5 billion Higher Education Endowment Fund, which will provide a guaranteed and ongoing stream of earnings to the sector to contribute to improved capital works and research facilities. The Higher Education Endowment Fund is expected to provide a dividend of around $900 million over three years from 2008-09, which will be distributed to universities.

But this is only part of the education good news story. Around 3.4 million students from more than 9,600 schools and school communities across Australia will benefit from more than $1.2 billion in additional funding over four years. This additional funding takes the total level of investment in schooling by the Howard government to over $10 billion in 2007-08. That is a big commitment. New budget measures also support the Australian government’s plan to restore the value of technical and vocational training to help ensure that a high-quality technical qualification is as prized as a university degree. Students, families and school communities across Australia will benefit from the introduction of national teacher training and registration standards announced in the budget. The Howard government will work with the states, territories and other stakeholders to develop a national framework to improve teacher education and to ensure more consistent, high-quality teaching across Australia.

There has never been a better time to be a tertiary student. Only three per cent of domestic undergraduate places are full-fee-paying, and the number of people who want a place at a university but cannot get one is at a historic low. The policy of fully funding overenrolments up to five per cent will effectively mean that every student who wants a university place next year will be able to get one. In broader terms, the amendment bill will benefit higher education providers, who will gain from the increased flexibility that allows them to address areas of skill shortages and who will also receive additional funding for some disciplines.

Students will benefit from additional funding for various disciplines as the quality of courses will be improved—for example, via smaller classes, better course delivery and/or equipment and materials. The higher education sector will benefit from addressing key concerns raised during the review of the Higher Education Support Act 2003—namely, the call for a reduction in the number of clusters to allow institutions to better manage their enrolments and additional funding for key disciplines. A fundamental premise of the Howard government’s education policy is that universities should be accessible to eligible students, whatever their background, and be accountable and transparent to taxpayers, who sustain them. OECD data shows that Australia’s public support for students in tertiary education is 0.4 per cent of GDP—above the OECD average of just 0.25 per cent of GDP. This statistic supports the other tenet of the federal
government’s education policy—that Australian universities are expected to not only equip graduates with the skills they need for the 21st century but also create new knowledge that will underpin Australian innovation and global competitiveness.

I would now like to speak a little about Charles Darwin University, one of Australia’s youngest universities, which is in my electorate of Solomon, in Darwin, and exemplifies this approach. It is already becoming a specialist in fields like health, tropical medicine and Indigenous studies. Charles Darwin University is set to receive $1.3 million in 2008 and $2.2 million in 2009 towards the cost of the establishment of an allied health complex at the Casuarina campus. The funds have been allocated through the higher education Capital Development Pool program, which has been used to construct purpose-built allied health and advanced nursing infrastructure to allow the university to effectively deliver its range of health related courses. The complex will include pharmacy dispensing laboratories, a clinical teaching laboratory, flexible ward space and a dedicated lecture theatre and will facilitate an expansion of the programs related to allied rural, remote and Indigenous health.

The Capital Development Pool program supports proposals which assist in new campus developments in suburban growth corridors and regional centres, capital developments to establish or expand courses identified by the government as discipline areas of national importance and communication and IT infrastructure projects which improve the cost-effectiveness and quality of educational delivery. Almost $94 million in additional funding from the Capital Development Pool has been allocated to Australian universities in 2007-09.

The bill we are debating today is also committed to making Australian universities more responsive to student needs and labour market demands while ensuring they are still world class. A good example is the recent funding of Charles Darwin University under the Australian government’s voluntary student unionism transition fund and the Support for Small Businesses on Regional University Campuses Program to construct a sport and recreation precinct and a medical centre. Charles Darwin University will receive $5 million for a sport and recreation precinct and $400,000 for a medical centre at its Casuarina campus. A total of 37 projects have been approved nationwide and they will contribute around $58 million to the higher education sector to assist universities to adjust to the implementation of voluntary student unionism. The projects supported by these grants will provide students all around Australia with improved services and facilities which promote social interaction and good health. The broad principles laid down in this bill will impact directly on Charles Darwin University and all institutions of higher learning nationwide. This is a very positive step for the Northern Territory because it will upgrade quality standards and develop synergies with international universities.

Earlier this year, when speaking on another education bill, I alluded to my support for the establishment of a stand-alone United Nations University research and training centre on traditional knowledge in the Northern Territory. The United Nations University has made an in-principle commitment to build a research centre for traditional knowledge and Indigenous studies. CDU won the backing of the UN University to locate the centre in Darwin against strong international pressure, and once again I congratulate its distinguished vice-chancellor, Professor Helen Garnett, for her vision in promoting this col-
laboration. Considerable matching funding has been sought from both the Northern Territory government and international philanthropic sources. I am still very hopeful that federal funds will be made available for this project. CDU is seeking funding of several million dollars from the federal government as a one-off contribution or, alternatively, as funding contributions on a year-by-year basis over the long term. The UN University has agreed it will contribute several million dollars to the establishment of the centre, provided that there are matching funds from the Australian government. The proposed Indigenous knowledge centre is acknowledged by Indigenous groups as a facility which will advance economic and social outcomes for Aboriginal people nationwide, and indeed overseas, and will make an important contribution to defining the challenges in the field of traditional knowledge.

The UN University functions as a decentralised global network and adopts an interdisciplinary approach to its specialist fields of study. Its headquarters are at the UNU centre in Tokyo and it is supported by a worldwide network of research and training centres in cooperation with local universities. Although Charles Darwin University is a small university, with a total student population of around 5,300, the proposed UN centre has enormous potential for Charles Darwin. The Territory has the potential to become a world leader in fields like Indigenous studies and tropical medicine, and the location of the UN University at CDU would provide some obvious synergies. The Menzies School of Health Research, for example, received $5.3 million in the budget to expand the school in Darwin and extend its Indigenous health research, which is regarded as world class. And there is a need to rationalise Indigenous education courses and develop centres of specialisation and excellence.

As I said in the House earlier this year, I strongly support the idea of a United Nations centre for Indigenous studies which would consolidate all Northern Territory Indigenous educational groups, including the Batchelor Institute of Indigenous Tertiary Education, into one world-class centre. The Batchelor institute is controlled and run by Indigenous Australians and specialises in working with Aboriginal and Torres Strait Islander students from across Australia, particularly from remote communities. It aims to develop an Indigenous approach to mainstream disciplines and careers. The institute offers higher education and vocational education and training courses ranging from apprenticeships to certificates. The proposed tie-up between CDU and the UN University should strengthen ties between Batchelor institute and Indigenous communities through cooperation in Indigenous research and development.

This will attract overseas students—Indigenous and non-Indigenous alike—as well as academics to the Northern Territory and reinvigorate higher education, scholarships and research in the Indigenous education field. It will also promote partnerships in research and scholarships with other organisations and researchers. New funding sources and grants, for example, would expand and strengthen Batchelor’s research profile and provide research grants for staff. So far, research activity in the institute’s dispersed environment has been very limited to say the least. There are currently no students undertaking higher degrees by research. If the Batchelor institute were to merge into CDU—a move which, by the way, I am very keen to promote—that would allow them to focus on the areas in which they should do best. Those areas are predominantly in the VET sector—for example, training apprentices and the like in a whole range of fields...
and skills that are sorely needed in most remote communities.

I commend this Higher Education Legislation Amendment (2007 Budget Measures) Bill 2007 to the House. The legislation is part of an important long-term plan to help secure sustainable funding for Australia’s university sector and to ensure that that funding meets the needs of its students. I am particularly concerned about the situation in the Northern Territory, and this bill will go a long way to improving our circumstances and delivering to us the best possible outcomes.

Mr NAIRN (Eden-Monaro—Special Minister of State) (6.23 pm)—On behalf of the Minister for Education, Science and Training, I would like to thank all members who spoke on the Higher Education Legislation Amendment (2007 Budget Measures) Bill 2007. The bill before the House will fundamentally reshape the higher education landscape in Australia. It responds to calls from the sector for greater flexibility and less red tape. It will allow a more diverse and vibrant higher education sector to emerge—one that strives for excellence and shapes its own destiny. No longer is university elitist. No longer is higher education unsustainable, as it was in the 1970s era of Whitlam. The reforms of this government will also enable the sector to break out of the one-size-fits-all straitjacket of the 1980s Dawkins era.

The decision in the budget to fully fund university overenrolments by up to five per cent of a university’s total funding will potentially create around 21,000 additional Commonwealth supported places. In addition, the Australian government will allocate a further 2,300 new Commonwealth supported places later this year. Essentially, anyone who wants, and is eligible for, a place at university next year should be able to get one. This is a far cry from the days of previous Labor governments, when 100,000 young Australians who were eligible to go to university missed out on a university place. This coincided with unemployment of 11 per cent, when a million Australians were on the unemployment scrap heap.

This bill will relax the caps on Commonwealth supported and domestic full-fee-paying undergraduate student places. Labor has suggested that universities will en masse convert Commonwealth supported places into full-fee-paying places and will turn their backs on students seeking to take up a Commonwealth supported place. The Australian government expects universities to act responsibly and will not let this happen. Government policy remains that universities must offer their Commonwealth supported places in a discipline cluster before they offer full-fee-paying places. Any significant shifts in student load between clusters must be approved through the funding agreements between the Australian government and universities. The Australian government will not let Australian universities walk away from their obligation to ensure access for Australians who want, and who are eligible for, a university education. Today, the member for Perth confirmed that Labor would abolish fee-paying domestic undergraduate places. Where does this leave Bond University and the University of Notre Dame?

This budget provides a massive $6.9 billion for the higher education sector, including the initial investment of $5 billion in the new Higher Education Endowment Fund. This means that funding for higher education has increased by 31 per cent in real terms between 1995-96 and 2007-08. And that does not include income support for students. At the same time, universities are reporting large increases in their operating surpluses and asset bases. The taxpayer is funding record numbers of Commonwealth supported places. This bill provides a further $0.5 bil-
lion for many courses, including maths and statistics, allied health, engineering, science, clinical psychology, teaching, nursing, medicine, dentistry and veterinary science. I will mention surveying, which is included in the engineering area. I know that surveyors are needed, and surveying is supported as part of this. In response to calls from the sector, this bill also reduces the number of clusters from 12 to seven.

Reflecting the higher salaries that business graduates can expect to receive over a lifetime, the maximum student contribution for accounting, administration, economics and commerce units and the Commonwealth Grant Scheme subsidy will be aligned with the contribution and subsidy for law. It will be a decision for each institution as to whether it raises the student contribution for these disciplines. The change will only affect students who commence study with a higher education provider from next year. This bill also establishes the new Diversity and Structural Adjustment Fund, which will assist universities, particularly smaller metropolitan universities and those in regional areas, to play to their strengths to ensure a diverse and sustainable sector with a focus on quality, access, efficiency and good governance.

One of the great things that has happened in my electorate of Eden-Monaro in the 11 years of the Howard government is that we now have several hundred people doing full-time university degrees being able to remain where they were brought up and where they live rather than having to do a course by correspondence or having to leave home to attend university. When I was elected in 1996, unless you lived in Queanbeyan and could go to university in Canberra, anywhere else in the electorate you would have had to leave the electorate to attend university or have done a course by distance education. In the interim the University of Wollongong has established access centres in both Batemans Bay and Bega and they have grown. I opened the expansion of the Bega access centre last year. Half a million dollars was provided by the Australian government towards the expansion because it has become so popular. It started by utilising technology so that, by teleconferencing, students could participate in lectures given in Wollongong. It has grown and is employing lecturers and tutors locally. As I said, several hundred people are now doing full-time degrees, something that they would never have dreamed of under previous Labor governments.

This bill also introduces three-year Commonwealth Grant Scheme funding agreements from 2009 to replace the annual agreements. Institutions that finalise a three-year agreement during 2007 will be able to take advantage of this arrangement from 2008. Through this bill the Australian government is increasing the number of Commonwealth scholarships from around 8,500 to 12,000 per year. This is over and above the additional annual scholarships for 1,000 Indigenous higher education students to undertake an undergraduate or enabling course. The current administrative arrangements will also be changed to ensure that scholarships are offered at the same time as students are offered a place and will be paid directly by the Australian government. This will help students make better informed decisions about which offer to accept.

This bill promotes a more diverse, responsive and dynamic higher education sector that delivers benefits for universities, for their students and, in turn, for the wider Australian community. I say to the Australian people: if you cannot manage the economy, you cannot invest in the future. The dividend of strong economic management by this government is that we can provide Australians with a good education and a job. I commend the bill to the House.
Question put:

• That the words proposed to be omitted (Mr Stephen Smith’s amendment) stand part of the question.

The House divided. [6.36 pm]

(The Deputy Speaker—Hon. IR Causley)

Ayes............ 75

Noes............. 55

Majority......... 20

AYES

Abbott, A.J.  Anderson, J.D.
Andrews, K.J.  Bailey, F.E.
Baird, B.G.  Bartlett, K.J.
Barresi, P.A.  Billson, B.F.
Broadbent, R.  Cobb, J.K.
Cobb, J.K.  Costello, P.H.
Draper, P.  Dutton, P.C.
Elsen, K.S.  Entsch, W.G.
Farmer, P.F.  Fawcett, D.
Ferguson, M.D.  Gambaro, T.
Gash, J.  Georgiou, P.
Haase, B.W.  Garrett, P.
Hartseyker, L.  Gillard, J.E.
Hockey, J.B.  Griffin, A.P.
Jensen, D.  Hatton, M.J.
Jull, D.F.  Hoare, K.J.
Keenan, M.  Jenkins, H.A.
Kelly, J.M.  King, C.F.
Ley, S.P.  Livermore, K.F.
Macfarlane, I.E.  Mclelland, R.B.
May, M.A.  Melham, D.
McGauran, P.J.  O’Connor, G.M.
Naibn, G.R.  Price, L.R.S.
Neville, P.C.  Ripoll, B.F.
Prosser, G.D.  Sawford, R.W.
Randall, D.J.  Smith, S.F.
Robb, A.  Swan, W.M.
Scott, B.C.  Wilkie, K.
Slipper, P.N.  * denotes teller
Somlyay, A.M.  Adams, D.G.H.
Stone, S.N.  Beazley, K.C.
Ticehurst, K.V.  Bird, S.
Truss, W.E.  Burke, A.E.
Turnbull, M.  Byrne, A.M.
Vale, D.S.  Crean, S.F.
Wakelin, B.H.  Edwards, G.J.
Wood, J.  Ellis, A.L.

NOES

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.  Corcoran, A.K.
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.
Hoare, K.J.  Irwin, J.
Jenkins, H.A.  Kerr, D.J.C.
King, C.F.  Lawrence, C.M.
Livermore, K.F.  Macklin, J.L.
Mclelland, R.B.  McMullan, R.F.
Melham, D.  O’Connor, B.P.
O’Connor, G.M.  Owens, J.
Price, L.R.S.  Quick, H.V.
Ripoll, B.F.  Roxon, N.L.
Sawford, R.W.  Sercombe, R.C.G.
Smith, S.F.  Snowdon, W.E.
Swan, W.M.  Thomson, K.J.

Question agreed to. Original question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr STEPHEN SMITH (Perth) (6.43 pm)—by leave—I move opposition amendments (1) and (2):

(1) Schedule 5, item 1, page 13 (lines 6-7), omit the item.

(2) Schedule 5, item 2, page 13 (lines 8-14), omit the item.

These amendments relate to the government’s removal of the cap on full-fee paying places: the 35 per cent general cap and the 25
per cent cap for medical places. The substance of that debate was outlined by me in the course of my second reading debate remarks. I again simply make the point that when the full-fee paying places were introduced to public universities there was a so-called gentlemen’s agreement which was supposed to have the effect that the difference between the entry levels for the government supported HECS places and the full-fee paying places would not be greater than five points.

As I have indicated previously, we now find those differences ranging anywhere from nearly 20 points to over 12 points. That so-called gentlemen’s agreement has been honoured almost entirely in the breach. If the government, as was suggested at the time, had regulated by way of legislation or regulation then we would not see those disparities now. Secondly, we know the Prime Minister is famous for his assertion that there would never be $100,000 degrees, but we now see very many of those around the country. Labor believes that it is wrong for the government to remove the full-fee-paying place cap of 35 per cent generally and 25 per cent for medical places. In any event, as the minister noted in his second reading reply remarks, Labor’s policy is to phase out those full-fee-paying places, and upon election we will do that commencing on 1 January 2009. I have indicated to the minister that, to suit the convenience of the House, we are not proposing to divide on these matters, given the time. To suit the convenience of members these matters are referred to in the second reading amendments and the House will not underestimate or underappreciate the firmness of our views in this respect.

Question negatived.
Bill agreed to.

Third Reading

Mr NAIRN (Eden-Monaro—Special Minister of State) (6.46 pm)—by leave—I move:
• That this bill be now read a third time.

Question agreed to.
Bill read a third time.

FINANCIAL SECTOR LEGISLATION AMENDMENT (RESTRUCTURES) BILL 2007

Second Reading

Debate resumed from 24 May, on motion by Mr Dutton:
• That this bill be now read a second time.

Mr BOWEN (Prospect) (6.47 pm)—One of Australia’s great strengths is the robustness of its financial sector. We need to do more to take advantage of that strength, to remove impediments to that sector’s growth and to put that sector on an even footing with its competitors overseas. The Financial Sector Legislation Amendment (Restructures) Bill 2007 proposes to make amendments to facilitate the adoption of non-operating holding companies as the ultimate holding company of a financial group in Australia by removing the regulatory impediments to the adoption of a non-operating holding company structure that arise under particular requirements of the Corporations Act and by removing the impediments that arise under the income tax laws. Labor supports this bill. Labor supports efforts to increase the competitiveness of the Australian financial services sector. It was always Labor’s intention to support this bill, but I understand that there has been some minor speculation from government sources in the industry over the last week that Labor might not support this bill or that Labor might seek to refer it to committee. But the shadow cabinet approved Labor supporting this bill without amendment and without referral to committee.
shortly after it was first introduced because it makes sensible changes.

Mr Ciobo—Hear, hear!

Mr BOWEN—I am glad for the support from the member for Moncrieff and for his recognition of Labor’s approach to this sensible piece of legislation. This legislation is needed because the reforms that the government made previously to facilitate non-operating holding companies have not worked. In March 1997 the Wallis review recommended that, subject to a financial group meeting prudential requirements, the prudential regulator should permit the adoption of a non-operating holding company structure. The review concluded that, to protect against creditors of one entity seeking to pursue the other entities of a group, legal separation structured around a non-operating holding company was the best method of quarantining the assets and liabilities of the various entities in the group.

In September 1997 the Australian government announced its response to the Wallis review. As part of that response the Australian government agreed to facilitate the establishment of non-operating holding companies. To implement the government’s decision the government made amendments to the Banking Act to allow financial groups containing authorised deposit-taking institutions to be established with a non-operating holding company as the parent entity. However, to date no major Australian financial group containing a deposit-taking institution has chosen to adopt the NOHC structure. This has been the result of regulatory requirements and tax provisions which have impeded Australian financial groups moving to this structure, and this bill seeks to remedy that problem. The bill seeks to overcome these impediments as identified under the Corporations Act and the income tax law.

I believe the introduction of non-operating holding companies is important because it better reflects the financial reality of today’s world. In previous years banks, insurance companies, fund managers and superannuation institutions were all separate organisations—separately owned and operating in different spheres. That is not the way the world operates anymore. Financial conglomerates are a fact of life and they are here to stay. Authorised deposit-taking institutions, or banks, now almost universally have superannuation arms, funds management arms and insurance arms. It is a silly requirement that the authorised deposit-taking institution be the holding company of all those others, and it is not the requirement that is the norm throughout the world. Most countries in the world have an NOHC structure. It is an obstacle for our industry to compete that we have a structure which militates against banks operating under a non-operating holding company structure.

It also provides better protection for depositors. If the deposit taking institution is the owner of the other financial bodies, and if one of those financial bodies runs into difficulty—if a funds manager or a superannuation company or an insurance company makes bad decisions and is in financial jeopardy—under the current structure the bank is at risk and therefore the depositors in that bank are at risk. Under the non-operating holding company structure, they are separate entities which happen to be owned by the same company. So if one arm of that financial conglomerate, whatever it may be—say, for example, the insurance company—gets itself into financial difficulty, it is at that point no threat to the viability of the deposits, as opposed to under the current arrangements. Labor supports this bill for those two reasons.

Schedule 1 will remove the regulatory impediments to the adoption of a non-operating
holding company structure identified under particular requirements of the Corporations Act. The amendments provide the minister with the power to grant relief from these specific requirements of the Corporations Act. This bill will facilitate the adoption of a non-operating holding company structure by providing the minister with the power to grant financial entities relief from specific statutory requirements under the Corporations Act that currently impede such restructures. To grant relief, the minister will issue a restructure instrument that specifies the statutory provisions and the entities of a company group and any persons involved in complying with a requirement for which the relief applies. The relief provided by the minister will only relate to the specific provisions of the Corporations Act as set out in the restructure instrument. It will not relieve an entity from having to meet its obligations under the Corporations Act more generally.

The minister will approve an application if he is satisfied that the restructure would improve the operating body’s ability to meet its prudential requirements as administered by APRA. It must be demonstrated to the minister that, as a result of the restructure, the operating body would be in a better position to meet the relevant prudential requirements. In examining the application the minister will also consider the interests of depositors/policy owners of the operating body, the interests of the financial sector more generally and any other matters appropriate, in the minister’s view, in reaching a decision. The minister can impose conditions on the operating body, the non-operating holding company, or any body which will be related to the non-operating holding company after the restructure, which must be satisfied prior to the restructure instrument coming into force.

The arrangement would transfer existing ordinary shareholders in the operating company to become ordinary shareholders in the non-operating holding company. This would occur through a cancellation or transfer of shares in the operating body and an issue of identical shares in the non-operating holding company. A scheme of arrangement will ensure that shareholders of the operating body heading a financial group are given the right to vote on any proposal to adopt a non-operating holding company structure. Any relief provided through the restructure instrument is specific and is considered transitional and consequential in nature to facilitate the restructure. It will not relieve the non-operating holding company, the operating body or any body related to those bodies from the need to meet their other obligations under the Corporations Act or any other relevant legislation.

Schedule 2 to this bill amends the consolidation membership rules and the capital gains tax provisions in the Income Tax Assessment Act 1997 to remove tax impediments that prevent financial groups containing authorised deposit taking institutions from restructuring. The tax consolidation rules treat wholly owned groups as a single entity for tax purposes. A consolidated group consists of a head company and all of its wholly owned subsidiaries. Currently, if a consolidated group contains an ADI, the head company tends to be that ADI. To ensure that an ADI can be a wholly owned subsidiary of a non-operating holding company for tax consolidation purposes following an ADI restructure and continue to issue certain preference shares to meet its capital adequacy requirements, those shares will be disregarded for consolidation membership purposes. This needs to occur because currently an ADI that issues preference shares to a non-group member cannot be a subsidiary member of a consolidated group under the consolidation rules. The amendment ensures that certain dividends paid by the non-operating holding company are frankable if
those dividends would have been frankable had they been paid by the ADI prior to the restructure. Amendments will also ensure that shareholders who exchange their shares in the authorised deposit taking institution for shares in the non-operating holding company can obtain a capital gains tax rollover. A CGT rollover means that no capital gain or loss is incurred for tax purposes at the time of the restructure.

Labor are pleased to support this bill, as I said, because it does put Australia’s financial institutions on a level playing field with more of our competitors overseas. It also provides better protection for depositors. In the consultation that I have undertaken on this bill there has been a suggestion to me from people in the industry that it could have been very slightly improved through amendments. I do not propose tonight to press those amendments. It is the case that the people seeking those amendments will be able to get a similar result by having a private ruling through the Australian tax office. I understand they have put the need for those amendments to the government but the government has indicated at this stage it will not be prepared to proceed with legislative amendments. It is the case that the people seeking those amendments will be able to get a similar result by having a private ruling through the Australian tax office. I understand they have put the need for those amendments to the government but the government has indicated at this stage it will not be prepared to proceed with legislative amendments. I do not propose tonight to press those amendments. It is the case that the people seeking those amendments will be able to get a similar result by having a private ruling through the Australian tax office.

As I have said, it is important that Australia is on an even footing with our competitors overseas in the financial services sector. This bill is an important but small step in that direction. It would be welcome if the government took this approach more generally to the financial services sector, and it has been a very interesting week in relation to that matter. We have had, for example, the Senate inquiry into withholding tax. The government’s attitude to withholding tax has been exposed as nothing less than short-sighted and as putting the financial services industry, and the funds management industry in particular, on a very uneven playing field with our competitors. The Senate inquiry heard some pretty strong evidence. Even though the Senate inquiry process was emasculated and very little time was allowed for people to put in submissions, I think 11 submissions were received. Most of those submissions related to withholding tax, and every single one of those submissions—

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Prospect would realise that there is no withholding tax in this bill. He needs to speak to the bill.

Mr BOWEN—with respect, Mr Deputy Speaker, this is about the financial services industry.

The DEPUTY SPEAKER—You were mentioning withholding tax, which is nothing to do with the bill.

Mr BOWEN—Mr Deputy Speaker, I will confine my comments to the financial services industry. As I said at the outset, I am talking about the competitiveness of the financial services industry, and the funds management industry is part of that.

We have seen a complete lack of ability from the government to put our funds management industry and the financial services industry on an even footing with our competitors and a complete short-sightedness in
Mr BOWEN—Mr Deputy Speaker, I respect that and will not press the point. This government has been completely neglectful of the funds management industry and the financial services industry in this country. This bill, which we support, is less than one-tenth of what is needed in this country to remove the impediments to enable the financial sector to compete overseas. With growth of funds under management around the world Australia, with, I think, the 53rd highest population in the world, has the fourth highest level of funds under management. We are trying to attract more funds from overseas to be managed in Australia, but we have an uncompetitive tax regime and the government is refusing to do anything more about it.

I could speak for a long time on the bill, Mr Deputy Speaker, but I know that you have certain views and, out of respect for you, I am not going to press those views. The government has completely failed in this area. The short-sightedness it has shown over the last few weeks has earned it no friends in the financial services industry for a very good reason. Some of the arguments we have heard have verged on the Hansonesque—I use that word advisedly—by saying that there is no need to provide tax relief to foreigners when we should first be providing tax relief to Australians. That shows a great lack of foresight from the government and a very disappointing approach. I support this bill. It is a small but necessary step. The Labor Party is happy to support the expeditious passage of this legislation through both houses of this parliament.

Mr BOWEN—Mr Deputy Speaker, I support that and will not press the point. This legislation is a small step, which we support wholeheartedly, but the government should be doing much more to put Australia’s financial services sector on an even break. This is not about picking winners or supporting the financial services industry at the expense of others; it is about removing impediments and getting out of the way. One of those impediments is an uncompetitive tax regime. This bill goes a small way to fixing that, but there is still so much more to do.

We have had a short-sighted approach from this government in relation to the tax regime that applies to the funds management industry and the financial services industry in particular. We heard that the government’s costings for these changes have completely blown out of the water. We heard Treasury tell the parliament through the Senate that the cost of changes would be $100 million—completely blown out of the water by the evidence presented to the Senate committee.

The DEPUTY SPEAKER—The member for Prospect is again straying. I cannot see that this bill has anything to do with that particular argument. The member for Prospect will come back to the bill.

Mr BOWEN—Mr Deputy Speaker, with the greatest respect, I said at the outset that I would talk about the competitiveness of the funds management industry and the financial management sector. I recognise that the elements I am talking about are separate to the matters I spoke about before, but they are very germane to the future of the funds management industry and the financial services industry in this country. Mr Deputy Speaker, I would respectfully suggest that I am more within the debate than is often the case in this House.

The DEPUTY SPEAKER—That will be my decision as the chair.
has most resonance with the operations of life insurers and banks, et cetera.

This is an important bill because it puts in place a number of recommendations that were derived as a result of the Wallace inquiry, an initiative instigated by the former Labor government and supported by us in opposition. Our support for the instigation of the Wallace inquiry, which was the precursor to the bill before the House today, underscores this government’s responsible policy approach to supporting decisions taken by the then government because we felt it was in the best interests of the Australian people.

Whilst I welcome the shadow Assistant Treasurer’s support of this bill, I remain perplexed that the opposition tends to cherry pick the bills that it decides are in the national interest. We know that, if the opposition truly supported all the bills that are in the national interest and in the best interests of the Australian people, they would support all the government’s legislation. I can understand why from time to time the shadow Assistant Treasurer finds that there is a requirement to provide some point of differentiation.

I now turn to some aspects to which the legislation is seeking to make changes. This bill seeks to facilitate the adoption of a non-operating holding company as the ultimate holding company of a financial group in Australia. It is an important change because it demonstrates the opportunity to ensure that financial companies and operations in Australia can adopt a non-operating holding company structure to delineate between the different types of facilities that they may undertake and the different kinds of services that they might provide.

I intend to speak until the Assistant Treasurer arrives in the chamber and in that respect I need to touch upon a few more issues in the bill. This bill will also seek to ensure that a non-operating holding company that is at the very top of a financial group is able to allow the group to officially and effectively split the various services that they undertake. It will do this through the appropriate allocation of risk being facilitated between prudentially and non-prudentially regulated businesses of a financial group by organising the various activities that these groups undertake into separate business lines. This can aid basically in ensuring that consumers are benefited. It can also aid in ensuring that quarantining of risks can take place because the various business services that that particular business is undertaking is able to be delineated between the different aspects of the business.

In this respect I think Australian consumers can be safeguarded because this bill will ensure that by having at the very top of a structure a non-operating holding company it is able to quarantine and ensure that those various investors that might be investing in different aspects of the business can actually be quarantined from some of the riskier elements of the business. In this day and age when many Australians are perhaps more risk averse than they have been in the past, I am sure that the opportunity to ensure that there is not going to be a spread of risk, and the opportunity for a company to delineate between those safer investment vehicles and operations of the company and those other riskier elements and more entrepreneurial aspects of a company, would be welcome by those that are investing in the market through the various operating entities taking place in the financial services market. Whilst broadly technical, this bill is an important bill. I certainly welcome its introduction to the House and I commend it to the House.

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (7.09 pm)—in reply—I start by thanking all of those members who have taken part in this
very important debate on the Financial Sector Legislation Amendment (Restructures) Bill 2007. The measures contained in this bill will facilitate the adoption of a non-operating holding company as the ultimate holding company of a financial group in Australia. This bill will provide greater flexibility for financial groups in choosing a corporate structure to manage their risk exposures and comply with prudential requirements. The bill will also provide financial groups with the opportunity to improve their business efficiency and international competitiveness. As a result the bill further enhances prudential regulation of the financial sector in Australia to the benefit of both consumers and business.

An authorised deposit-taking institution, general insurer or life insurance company will be able to apply to the minister for approval to restructure a group headed by one of these prudentially regulated entities. The bill will provide the minister with the power to approve and grant subsequent relief from specific statutory restrictions in the Corporations Act 2001, which currently impede the adoption of a non-operating holding company structure. Any relief allowed by the bill will be limited to nominated specific provisions and does not in any way relieve an entity from meeting its general obligations under the Corporations Act or any other relevant legislation. The bill also makes consequential amendments to the income tax law to remove tax impediments that would otherwise discourage restructuring. I close by thanking those who have participated in this debate and I commend the bill to the House.

Question agreed to.

Bill read a second time.

SOCIAL SECURITY AMENDMENT (APPRENTICESHIP WAGE TOP-UP FOR AUSTRALIAN APPRENTICES) BILL 2007

Second Reading

Debate resumed from 24 May, on motion by Mr Robb:

That this bill be now read a second time.

Mr STEPHEN SMITH (Perth) (7.12 pm)—The Social Security Amendment (Apprenticeship Wage Top-Up for Australian Apprentices) Bill 2007 legislates for additional financial support for first- and second-year apprentices to be exempt from assessment as income for tax and social security purposes. Such additional tax-free funding for apprentices is welcomed. Labor have long acknowledged the importance of encouraging more people into a traditional apprenticeship and has been calling for a trade completion bonus for apprentices since 2005. Labor are critical of the government’s delay in addressing ongoing skills shortages in the economy but we do welcome this measure, albeit belated. The bill exempts the value of the 2000 top-up payments for Australian apprentices who are under 30 and are undertaking an Australian apprenticeship in a trade occupation identified as experiencing national skills shortages from assessment as income.

After a decade of underinvestment in the vocational education and training sector leading to nationwide skills shortages, it is heartening to see Labor’s message about the need for greater investment in education at every level including vocational education and training is being heard by the government even if the government’s motivation for that is because there is an election just

Third Reading

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (7.11 pm)—by leave—I move:
around the corner. The apprenticeship wage top-up payments will be made to apprentices who are under 30 years of age and who are undertaking Australian apprenticeships in areas of skills shortages as defined by the migration occupations in demand list. This additional financial support for apprentices acknowledges that the first and second years of an apprenticeship can be particularly difficult when wages are at their lowest. It also acknowledges how important these skills are to our continued economic competitiveness, performance and growth.

Under the apprenticeship wage top-up payment, apprentices under the age of 30 who are undertaking an Australian apprenticeship in a trade occupation listed on the migration occupations in demand list will be eligible to receive a $500 payment at the six-, 12-, 18- and 24-month points of their apprenticeship. Full-time apprentices will receive $1,000 a year, $2,000 in total, while part-time and Australian school-based apprentices will receive $500 annually over a longer time frame but nonetheless ultimately still a total of $2,000.

This measure is about keeping young people in apprenticeships and it comes two years after Labor began calling for additional payments to apprenticeships in the traditional trades in the form of a $2,000 trade completion bonus for apprentices. The latest annual figures show that, in 2005, nearly 130,000 apprentices and trainees cancelled or withdrew from their courses. That is a staggering 49 per cent of all those who commenced apprenticeships or traineeships that year. While the government often talks about the 400,000 apprentices in training, they fail to mention that only 140,000 of these apprentices are completing their training or the fact that less than a quarter of those in training are undertaking traditional trade apprenticeships.

Over its 11 long years in office, the average number of traditional trade apprenticeships under the government has been about 120,000 a year. The average achieved by the previous Labor government, the Hawke-Keeving government, was 13 per cent higher, at 137,000. When you look at completion rates for these traditional trade apprenticeships, those areas where Australia faces the most dire shortages, the government’s record is even worse, with only 24,700 traditional apprentices completing their training in 2005. Over the term of the Howard government, completion rates for traditional trade apprenticeships fell from 64 per cent in 1998 to only 57 per cent in 2005. This is significantly less than the figure for Labor’s last year in office, when Australia had an apprenticeship completion rate of more than 70 per cent. The government’s constant claim that there are 400,000 apprentices in training is an attempt to disguise what is really happening. Less than 25,000 traditional trade apprentices are completing their training each year. Frankly, this comes as no surprise.

In 1997 the Howard government cut funding to TAFEs, reducing Commonwealth investment in vocational education by 13 per cent in the three years to the year 2000. Furthermore, Commonwealth investment only increased by one per cent between 2000 and 2004. According to data from the National Centre for Vocational Education Research, real expenditure per hour of TAFE curriculum has fallen by nearly 24 per cent since 1997. In this context, the expenditure on apprentices in the budget only begins to undo some of the damage done to vocational education and training by the government. As I said earlier, the bill is clearly welcomed but is also clearly belated.

In May 2005 Labor called for the budget to include a trade completion bonus for apprentices to address the skills crisis, and while it has taken the government two years
to accept Labor’s positive policy proposal it is nonetheless better late than never. Labor’s plan involved two payments of $1,000 to be made to apprentices in traditional trades on the national skills shortage list. The payments were to be exempt from taxation or classification as income for social security purposes. While the government’s apprenticeship wage top-up is to be paid in the first and second years of an apprenticeship, Labor’s trade completion bonus would make one payment of $1,000 halfway through an apprentice’s training and a further $1,000 payment at the completion of their apprenticeship. The government has, disappointingly, not taken up this key element of Labor’s proposal or recognised the need to target this extra payment towards the completion of an apprenticeship rather than simply the first two years of training. Labor’s trade completion bonus was targeted to increase the rate of completions of traditional trade apprenticeships by providing payments to reward those who continued with their training beyond the first year and again to those who completed their apprenticeship.

The bill allows for the apprenticeship wage top-up payments to be tax-free and not count as income for determining eligibility for income support such as youth allowance or Austudy. Labor strongly supports this measure as it means not only that the apprentice will receive the full $2,000 but that the top-up will not prevent eligible apprentices from receiving additional ongoing income support or push them into a higher tax bracket. This tax-free element of the apprenticeship wage top-up is welcome; however, it draws attention to the government’s poor record in providing income support to Australian apprentices. Despite making income support through youth allowance and Austudy available to apprentices for 2005, the harsh participation requirements for these payments have meant that only a small number of apprentices are benefiting from this support. Of the 60,000 apprentices the Department of Education, Science and Training estimated would receive youth allowance in 2005-06, only one-quarter of this number—15,000 apprentices—actually received income support. The department’s explanation for the low take-up rate was that apprenticeship and parental incomes were higher than anticipated, yet the government acknowledged through this apprenticeship wage top-up measure that these wages need supplementing.

Along with the failure to provide adequate financial support for apprentices and to address the completion rates, particularly in traditional trades, the government has presided over 11 long years of neglect and underinvestment in the vocational education and training sector. Over the past decade the government has slashed investment in vocational education and training and as a nation we are now paying a high price in the form of acute skills shortages across the country. The government’s own estimates show Australia facing a shortage of more than 200,000 skilled workers over the next five years. The government’s cynical political response to this national skills crisis has been to spend nearly half a billion dollars on a stand-alone network of Australian technical colleges that will, at best, on the government’s own figures, produce 10,000 graduates by 2010.

While the government has been in power, the TAFE system has turned away over 325,000 and it is crying out for additional recurrent funding and much-needed investment in infrastructure. Instead, the government is establishing 30 duplicate Australian technical colleges across the country, generally scattered in marginal seats. Of the 20 colleges that are currently open, two-thirds are not registered training organisations and are being forced to use the facility of existing TAFEs due to delays and implementation
problems. Three years after the colleges were announced, they are yet to produce a single graduate. On the government’s own figures, in the face of a skills shortage of anywhere between 200,000 and 240,000 over the next five years, the stand-alone ATC duplicates in marginal seats scattered around the country-side will produce 10,000 graduates. Such is the government’s neglect, incompetence and complacency when it comes to addressing a long-term skills crisis.

In order to seriously address the magnitude of the current skills crisis, Australia must focus on the areas of maximum impact, including TAFEs, which remain responsible for the substantial majority of postsecondary vocational education and training; vocational education and training in schools; and on-the-job trades training. That is why Labor has announced recently a $2.5 billion trades training centres plan aimed at the one million students in years 9, 10, 11 and 12 in all of Australia’s 2,650 secondary schools. The plan will provide secondary schools with between half a million dollars and $1.5 million to build or upgrade vocational education and training facilities in order to keep kids in schools, enhance the profile and quality of vocational education and training in schools and provide career paths to trades and apprenticeships for students.

As well as providing infrastructure to improve vocational education and trades training in secondary schools, last week the Leader of the Opposition, Mr Rudd, and I announced Labor’s plan to introduce a job ready certificate for vocational education and training in schools. This certificate will assess the job readiness of secondary school students engaged in trades and vocational education and training. Students will obtain the job ready certificate through the job training placements as part of Labor’s trades training centres in schools proposal. The job ready certificate will be a stand-alone statement of a student’s readiness for work and will be in addition to a year 12 certificate and any separate vocational education or trades training qualification. The certificate will provide students who complete secondary school with an increased focus and awareness of the skills necessary in the modern workplace. It will also provide employers with a tangible reference, including whether students are capable and ready to work. The job ready certificate will demonstrate that students possess basic workplace skills, including communication, initiative and enterprise, self-management, technology, teamwork, problem solving, and planning and organisation. At present, there is no requirement for education and training providers to formally issue a statement of these job ready or employability skills.

This has been an ongoing issue for industry, with repeated calls from the Business Council of Australia, BCA, the Australian Industry Group, AiG, and the Australian Chamber of Commerce and Industry, ACCI. As early as 2002, the Howard government, in response to these calls, had its Department of Education and Training develop an employability skills framework. Its implementation, however, since that time, has stalled. Labor is committed to making education and training more responsive to the needs of industry, which is one of the reasons why last week we announced the job ready certificate. It is interesting that on the day following Labor’s announcement of its job ready certificate, which the BCA, the AiG and the Australian Chamber of Commerce and Industry had been calling for since as early as 2002, a Commonwealth item which included further development of an employability skills framework was on the agenda of the meeting of Commonwealth and state vocational education and training ministers. The Commonwealth recommendation at the vocational education and training ministers’ meeting
was to refer the matter to the education ministers. So, in 2002, the department developed an employability framework, a jobs ready framework, which was to the satisfaction of the major industry association and business association groups, but, five years down the track, was not able to implement it further. Labor will, as part of its trades training and skills policy ensure the adoption of the job ready certificate.

Australia’s ability to meet the growing need for skilled employees across the country is crucial to ensuring our future prosperity. The job ready certificate is a key part of Labor’s $2.5 billion trades training in schools plan, which includes $84 million to ensure students are involved in trades training and receive one-day-a-week, on-the-job training for 20 weeks a year. This will be implemented in consultation and cooperation with industry, states, territories and the states and independent school systems. That stands in stark contrast to the approach and attitude taken by the Howard government: refusal to work cooperatively with the states and the territories and refusal to acknowledge that, despite the government’s and the Liberal Party’s ideological hatred of the TAFE system, the TAFE system still trains, in Australia, 75 per cent of the students or 85 per cent of the hours. The government in the 2004 election, in a political device, established without consultation with or reference to the states stand-alone, so-called Australian technical colleges, which are effectively the Commonwealth seeking to operate and manage secondary schools without reference to the state system, without reference to any attempt to try to do it in a cooperative, sensible, collegiate way with the states and the territories. By making vocational education and training a viable option for all our secondary students, Labor’s plan will make a real and significant dent in the current skills shortage. The longer the government pre-
tends a few technical colleges will make up for more than 11 years of complacency and neglect in vocational education and training, the more damage it will do to the prospects of our children and our economy.

Very many of these sentiments are contained in the second reading amendment, which I will formally move at the conclusion of my remarks. The second reading amendment captures those aspects and is in the following terms:

- “whilst not declining to give the bill a second reading, the House welcomes additional financial support for first and second year apprentices but condemns the Government’s complacency and neglect of vocational education and training over the past 11 long years seen through:
  - (1) the Government slashing its investment in vocational education and training by 13 per cent in the three years to 2000;
  - (2) between 2000 and 2004, increasing this investment by only 1 per cent;
  - (3) the failure of the Government to address the acute shortages of skilled labour across Australia, which the Government itself estimates to be a shortfall of 240,000 skilled workers by 2016;
  - (4) the cynical political response to the national skills crisis of a standalone network of Australian Technical Colleges that will only produce 10,000 graduates by 2010; and
  - (5) the failure of the Government to address apprenticeship completion rates, with almost 50 per cent of apprentices cancelling or withdrawing from training each year while Labor has been calling since 2005 for $2000 payments to encourage completion of traditional trade apprenticeships”.

These measures are welcome; they are belated. What a surprise that we see these measures only after 11 long years, that we only see these measures in the face of a skills crisis, that we only see these measures on the eve of an election. After 11 long years of neglect and complacency, with three, four, five months to an election, what do we see?
We see the government move, not in an effort to save Australia from a skills crisis but in an effort to save itself. I formally move the second reading amendment circulated in my name and ask my colleague to second it:

- 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 welcomes additional financial support for first and second year apprentices but condemns the Government’s complacency and neglect of vocational education and training over the past 11 long years seen through:
    - (1) the Government slashing its investment in vocational education and training by 13 per cent in the three years to 2000;
    - (2) between 2000 and 2004, increasing this investment by only 1 per cent;
    - (3) the failure of the Government to address the acute shortages of skilled labour across Australia, which the Government itself estimates to be a shortfall of 240,000 skilled workers by 2016;
    - (4) the cynical political response to the national skills crisis of a standalone network of Australian Technical Colleges that will only produce 10,000 graduates by 2010; and
    - (5) the failure of the Government to address apprenticeship completion rates, with almost 50 per cent of apprentices cancelling or withdrawing from training each year while Labor has been calling since 2005 for $2000 payments to encourage completion of traditional trade apprenticeships”.

The SPEAKER—Is the amendment seconded?

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

ADJOURNMENT

The SPEAKER—Order! It being 7.30 pm, I propose the question:

- That the House do now adjourn.

Childhood Obesity

Ms BURKE (Chisholm) (7.30 pm)—We need to take a fresh look at childhood obesity issues because whatever the government has been doing for the last 11 years has not worked. We also need to make sure that, in focusing on obesity, we are not causing another monster—an unhealthy fixation with weight that can, and is, leading to eating disorders. I specifically want to talk about the Howard government’s recent decision to fund, to the tune of $3 million, a children’s version of the CSIRO Total Wellbeing diet book to tackle childhood obesity. I believe this will only worsen the problem. I recently discussed this issue with Rachel Barbara, acting director of the Victorian Centre for Excellence in Eating Disorders. Rachel confirmed that tackling childhood obesity by spending $3 million on a children’s diet book is a simplistic and dangerous approach—and with this I agree.

The fact is that dieting is not advisable for children. It not only results in weight gain but also is one of the biggest risk factors in the development of eating disorders. This is because obsession with weight can lead to eating disorders such as anorexia nervosa and bulimia nervosa. We know that up to 20 per cent of people with anorexia will die. Anorexia is the third most common illness in adolescent girls and, for women aged between 15 and 24, eating disorders are among the top four leading causes of disease burden in terms of years of life lost through death and disability. We also know that 13 per cent of young Australians are extremely overweight or obese and that they put on most of their weight during their adolescent years, when they are going through major life transitions. This compares to 1.5 per cent of children who were obese in 1985, which is a massive jump.
Disordered eating is now a major problem amongst children, with obesity at one end of the spectrum and anorexia at the other. We need to start to see obesity and anorexia as disordered eating illnesses that exist on opposite ends of the same spectrum. They are just extremes of the same problem—disordered eating. We need to see childhood obesity and anorexia as being more than simply a matter of children eating too much or too little. We need to recognise that disordered eating is a form of mental illness, no matter what end of the spectrum it sits on.

What do we mean by disordered eating? Eating is defined as disordered when people turn to food or away from food as a way to cope with problems. For instance, when food or dieting is frequently used to deal with loneliness or anxiety, eating is disordered. Serious forms of disordered eating can lead to very serious health problems. We can now argue that, sadly, in our Western society, some degree of disordered eating is the norm rather than the exception. Disordered eating can include illnesses such as anorexia, bulimia, binge-eating disorder or an eating disorder not otherwise specified. Currently, 10 per cent of young adults have disordered eating, with long-term consequences for their physical and mental health. Under these circumstances, a focus on dieting and weight sends the wrong message, because being thin does not necessarily mean that you are fit or healthy or indeed mentally healthy.

In April this year, Professor Phillipa Hay, head of psychiatry at James Cook University, presented findings of a study on the prevalence of eating disorders in the population. According to her study, the number of people with eating disorders has more than doubled in the past decade. The number of people regularly taking laxatives, making themselves sick or undergoing extreme fasting jumped from 4.7 per cent in 1995 to 11 per cent in 2005. Over the same period, the number of people with a psychiatric eating disorder, such as binge-eating, rose from two per cent to 4.6 per cent. Most tellingly, Professor Hay attributes this unhealthy fixation with weight, and the eating disorders that accompany it, as being due to the obesity epidemic. She also said, ‘We found people of normal weight who are now very aware and concerned about their body shape—one in 10 to an extreme degree.’ Professor Hay also acknowledged that ‘the obesity epidemic has to be very carefully managed because there is a whole other problem it could be creating’. We are seeing the weight fixation problem beginning very early in children now. Indeed, we have seen cases of children in kindergarten having to seek admission to hospital. Disturbingly, there has been a four-fold increase in admissions for eating disorders at the Royal Children’s Hospital in Melbourne in the past three years, with children as young as 10 being treated for bulimia and anorexia.

So what is the solution? Let us take the focus off weight and body image. Our public health focus should be on healthy living, including a nutritious diet, exercise and good self-esteem. What is the Howard government’s response? Apart from a crazy plan to create a diet book for kids—which most working families would not be able to afford the ingredients for or have the time to adhere to anyway—there has been a lack of good ideas from the Howard government. Indeed, there has been silence. Knowing what we do about eating disorders, the Howard government’s plan to weigh children at school is completely misguided. Indeed, it is reprehensible. Making a public example of children’s weight may cause unnecessary trauma and encourage bullying. Some children will never be the ‘right weight’ and to focus on this may cause more harm than good. We need to start coming up with a comprehensive plan to tackle obesity and eating disor-
The Minister for Health and Ageing could start by agreeing to my idea of holding a national body image summit where some of these issues can be discussed by the various stakeholders, such as doctors and fashion editors. There is much more to do on this issue, and funding a diet book is definitely not the way to go.

**Australian Labor Party**

**Mr HARDGRAVE (Moreton) (7.35 pm)**—The Australian Labor Party in this place represent the group of people in Australia who want to live off the efforts of the past—people who have come to this place from trade union backgrounds; people whose greatest contribution to Australian public life was to work their way through the trade union movement, effect their own particular promotion and slowly but surely cement themselves into a position where they were selected for this place. So it is understandable that, if a majority of members in this place have those influences in their decision making, after the next election we are going to very much see the trade union bosses—a very small but powerful elite—back in control of this country.

The Australian Labor Party have forgotten the roots of their party—that is, the representation of workers. In debates in recent times there has been a lot of talk about trade union power and the rights of trade union officials but nothing has been said about the rights of workers. I suggested in the parliament recently that the Labor Party no longer represent workers; that they are in fact representing the non-productive culture of Australia. I have had a number of cards and letters from people who have supported those remarks, and I am grateful for those. The point has been made to me by ordinary Australians that they are angry and disappointed that this party that had a fine tradition, of 100 years or more—when the struggle of others produced an organisation that was meant to represent the ordinary, everyday man and woman and their family—now is a party that does not want to do anything.

The Labor Party would prefer to send taxpayers’ dollars to consultants and committees to discuss the way something might be done; they would prefer to bring in a team of academics and professionals to discuss the way forward and constantly put out glossy reports explaining that ‘progress is underway because discussions are underway’. They would prefer committees to inquire and consultants to create the perception of activity rather than to actually get things done.

There is a perfect example of that in my own electorate. Back in 2000, the then Minister for Transport and Regional Services, John Anderson, announced through the budget process the decision of the Commonwealth to build, at the Queensland government’s request, sound barriers along Riawena Road at Salisbury. Residents in this part of my electorate have a national highway—gazetted by the Queensland government as a national highway in 1991-92—going past their homes. It was not wanted by local residents as a national highway, but, nevertheless, it has been that for all that time. Residents in my electorate have been putting up with heavy truck traffic noise all through the night. At my intervention, we responded. Minister Anderson, the member for Gwydir, put forward the money in the budget process. More money has followed from there. Has the Queensland government built anything? The answer is no. The state member for Yeerongpilly, Simon Finn, is not a bad bloke. He means well, but he is poorly advised by his senior people in the Queensland government, who keep saying, ‘This is now on the priority list.’ It has been on and off the priority list for seven years, and the people of Salisbury continue to put up with the truck traffic noise along Riawena Road.
If you look at the way the Persse Road tollbooth impacts on road transport around my electorate, you see yet again a state government that likes to form committees, likes to form shelf companies—like Queensland Motorways, which is wholly owned by the Queensland government through the Queensland Treasury Corporation. Its major shareholders are the Queensland Department of Main Roads and Queensland Transport, which operates the only toll road in the whole state of Queensland. What it does is to drive interstate trucks onto local suburban streets in my electorate.

When it comes time to vote, the people of Australia will see through the radical, trade union dominated government that is being offered by those opposite. As the Treasurer has made very clear in the parliament in recent days, the state governments of Australia are spending hundreds of millions of dollars on committees, hiring their mates in highly paid consultancies, putting the states into $58 billion worth of debt at the same time as the Commonwealth government has retired Commonwealth debt and will create an asset for the people of Australia of $50 billion over the forward estimates. While Labor goes into a debt of $58 billion through the states and we go $50 billion up at the Commonwealth level, things are perhaps a little more balanced. It is not hard to imagine the sort of mess that would be created for this country, with the largesse of taxpayers’ dollars directed to consultants, if there were a Labor government in this place.

Holt Electorate

Mr BYRNE (Holt) (7.40 pm)—Tonight I would like to speak about some very special people who make my community tick over. These people are the glue that keeps the community together. A couple of these very special people attended a seniors morning tea that I conducted at the Balla Balla Community Centre in Cranbourne on 6 June. I was quite overwhelmed at the number of people who attended—more than 250. The event was held to mark the contribution made to our community by senior citizens. They have been, and continue to be, important, vital parts of our community.

One very special person was there: a gentleman called David Lentin. David is a spectacular individual—a person whom everyone would like to meet. For more than 10 years he has been the station manager at 3SER-FM, which is a non-commercial community radio station catering to the south-eastern area of Melbourne, which has a population of about 300,000 people. David has been involved in so many community based initiatives that they are too numerous to mention here, but I will mention some. After the 2004 tsunami, he ran an appeal that raised more than $30,000. I can recall being with him outside the Fountain Gate shopping centre when he was raising that money. David runs an outside broadcast of the Anzac Day marches in Cranbourne. He is an essential part of those marches. This year more than 3,000 people in the Cranbourne area attended that march; it is a growing ceremony. David was state president of Neighbourhood Watch for 10 years during the 1980s and 1990s, and he received a major community safety award. He is an ex-member of the Victorian police force and he is a passionate champion of the community. He is the local voice of Cranbourne and the surrounding area, and he is an individual who is fighting illness but still performing his duties.

Someone who could not be there but to whom I would have presented a Cranbourne Community Spirit Award is George Stephens. He is considered by many to be one of Cranbourne’s ‘living treasures’. George has been a member of the Cranbourne Lions Club for many years and has helped on many community projects. In
April 1985, he started the Cranbourne Lions Concert Band, and he has been involved in that project ever since. The band have been going from strength to strength and they pride themselves on getting the best out of all the members. The Cranbourne Lions Concert Band is involved in many community based events, and George is an essential part of that. He is another essential member of the community.

Another person who could not be there is a person who was an outstanding contributor to the community: Shirlene Dawn Nadarajah. She was recognised by me earlier this year, as part of the Holt Australia Day Community Spirit Awards, for her outstanding service to the Brownies and Girl Guides Association. Dawn was involved for over 50 years in Brownies and Guides and represented Australia on a number of occasions at the international Guides conferences. In 1991, Dawn was appointed Victorian Multicultural Officer for Guiding, and she performed that role in addition to her role as District Guide Commissioner for Eumemmerring. Dawn served the association with great devotion and loyalty in the Guide units at Endeavour Hills and Cranbourne. Very sadly, Dawn passed away on 20 May this year. Her husband, Anton Nadarajah, is another fantastic community-minded individual. He is the Secretary of the Board of the South Eastern Region Migrant Resource Centre. He has been on the board for 14 years. I commiserate with him on his huge loss. Dawn was another one of those people you walk past in the street every day, who contribute to our community without making great fanfare or great fuss. She was someone who, through her active participation in the community, made the community a better place.

I will mention one more person: Susan Bergman, who has been an active member of the Cranbourne community—and right across the city of Casey—for well over 10 years. Sue performs at various functions as Lady Uppity Crust. She is a person of great character. She personifies Cranbourne. She is like an essential community gateway, an essential community link. These are just some of the people who make up the kaleidoscope of individuals in Cranbourne and make my electorate a fantastic place to live and work.

Prostate Cancer

Mr BARTLETT (Macquarie) (7.45 pm)—By the end of the three sitting days of this shortened sitting week, approximately 22 Australian men will have died of prostate cancer and some 82 others will have been diagnosed with it. Prostate cancer is by far the most common cancer in men. It claims roughly the same number of lives as breast cancer does in women, around 2,700 a year, and around 10,000 men in Australia each year are diagnosed with prostate cancer. This week is Men’s Health Week, and associated with it is National Prostate Cancer Awareness Week. The aim of this is to raise awareness of the risks of prostate cancer and to convince men, particularly men over 50, of the need to undertake regular tests. As with many cancers, the causes are unknown, but with prostate cancer certainly there is a greater likelihood of it with increasing age. Some 70 per cent of cases are diagnosed in men over the age of 65. The adage used to be: ‘Men die with prostate cancer, not of prostate cancer.’ However, with an ageing population, extension of life and increased medical improvements in the later years of life, more and more men are dying of prostate cancer rather than just with it. Another risk factor is family history—whether a father or a brother has had prostate cancer. As with a number of other cancers, there is an increased risk for people whose diets are very high in fatty foods.

As with most cancers, the chances of a cure are much greater if prostate cancer is
detected early. If cancer is present but is confined to the prostate, it can be treated by radiation or surgery, both treatments having improved substantially in recent years. The survival rates, if the cancer is detected early, are quite high. However, as with many cancers, if left undetected prostate cancer will metastasise, usually spreading to the bones, and then it will become incurable. For this reason it is imperative that men at risk are regularly tested. This is initially done quite simply by measuring the PSA levels, the prostate specific antigen levels, in a simple blood test. Any rise in those PSA levels between tests will be followed up with other tests. Men suffering symptoms, particularly difficulties in urinating, the sudden need to urinate, frequent urination, especially at night, or problems or pain with ejaculation, should see their doctor. Men over 50, or even younger if there is a family history, should be regularly tested.

The symptoms mentioned above do not necessarily mean cancer; they could indicate benign enlargement of the prostate. If that is the case, that certainly is far better than a diagnosis of cancer. But, tragically, the symptoms could indicate cancer. If so, the earlier the detection and the sooner the treatment, the greater the chance of survival. The message is simply this: if you are at risk, go to your doctor and get tested.

Disability Employment Services

Mr BOWEN (Prospect) (7.48 pm)—On Monday, 4 June, I launched a new product which will be produced in my electorate. It was a new gelato line, produced by Enrico’s Kitchen at Wetherill Park in partnership with one of Smithfield’s most successful small businesses, Giotto Gelato at Smithfield, which is a very popular spot, a well-known meeting place and recently won the award for Australia’s best gelato. Enrico’s Kitchen, the other side of the partnership, is a long-standing medium sized business in Wetherill Park. It was established in 1987 and produces well-known pastas and lasagnas which are sold in supermarkets and school canteens around the country.

Last year Enrico’s Kitchen was purchased by Cumberland Industries, a social enterprise providing employment opportunities for disabled people. They employ over 500 disabled people across their various industries, which include Aussie Sweets, Filpac, Cumberland Retreat and Clean-Pac. They have won awards in recognition of their wonderful work as a social enterprise in this country. The Enrico’s Kitchen factory at Wetherill Park is being geared up to take up to 10 disabled staff—a wonderful opportunity for disabled people in our area to gain the satisfaction of going to work every day and making a contribution to our society.

I met the existing staff at the factory and was impressed with their enthusiasm, their professionalism and, of course, their good old-fashioned Prospect friendliness. I would like to thank in particular Mr Jim Keane, the manager of Enrico’s Kitchen at Wetherill Park; Dr Stephen Treloar, the CEO of Cumberland Industries; and Margaret Ryan, the Corporate Relations Manager of Cumberland Industries, for their invitation to me to launch the product, for their hospitality and for the information they shared with me on the day.

This is a win-win arrangement. As I say, an award-winning first-class local small business, Giotto Gelato, which is becoming a landmark in Smithfield and which is a regular haunt of my family’s—because you just cannot resist the Giotto Gelato—is working in combination with Cumberland Industries, which is doing a great job in providing employment opportunities to disabled people. While I was at the factory, after the launch I took the opportunity to have a meeting with
the senior management of Cumberland Industries and they raised with me a number of concerns regarding the operation of the not-for-profit social enterprise model in this country. I raise those concerns tonight not in order to make political points—that is not my intention—but to put on the agenda some very serious and justifiable concerns on behalf of that sector.

Perhaps I can summarise it by saying that there are three concerns: firstly, the number of funded places in supported employment for people with disabilities; secondly, the apparent policy of Centrelink not to refer people with disabilities to supported employment but rather to only refer people with disabilities to open employment; and, thirdly, the federal government’s support and policy agenda for the business services sector.

For example, Cumberland Industries employs over 500 disabled people. For every disabled person they employ, the government subsidy only covers part of the cost. More than that, Cumberland Industries only receive funding for 430 places, even though they employ more than 500 people. It is important that we recognise that these industries are doing more than they are required and are going out and employing more people. It is important that those concerns about the lack of funding for places are addressed. Also, I am advised that there appears to be a policy whereby Centrelink does not refer people with disabilities to supported industries. There is a place for disabled people in open employment, in the normal mainstream employment stream. If that is possible and appropriate, we welcome that. We welcome the fact that disabled people are working more and more in open employment, that open employment is being more accommodating to those people, that some of the prejudices of the past have disappeared and that in fact employers are taking active steps to make their workplaces more disabled friendly. We always welcome that. But it is not appropriate for everybody and it is not always possible. There is a place for supported employment in the services sector, in industries such as Cumberland Industries and, in other industries, in what used to be called sheltered workshops—thankfully, we no longer call them that. There is a place for all those types of employment, not just open employment. (Time expired)

Disability Employment Services
Veterans: Legal Action

Miss JACKIE KELLY (Lindsay) (7.53 pm)—I want to make a few points on the adjournment speech given by the honourable member for Prospect. There are far more places for supported employment under our government than there were under the previous Labor government. It is not Centrelink’s role to refer people for employment; that is for the Job Network. Companies such as the business belonging to the wife of the Leader of the Opposition, Work Directions, specialise in finding employment, supported or open, for people with disabilities.

Tonight, I would like to bring the House’s attention to a matter which, as an ex-servicewoman, is of great concern and importance to me. It affects the lives of veterans and their families. Earlier this year, my constituent Mr Russell Henry Pearce, a TPI pensioner, telephoned my electorate office in Penrith with a disturbing story indicative of a legal system that has got completely out of control. In early 2001, my constituent was telephoned at home by Hollows Lawyers, a Victorian legal practice. They stated that he would have a case against the Commonwealth of Australia, as Mr Pearce was a crewmember on HMAS Melbourne when it collided with HMAS Voyager in 1964. My constituent was reluctant to pursue this matter because of the time factor. This accident happened 37 years ago, so there were a num-
ber of legal barriers that any base trained lawyer would be aware of. But my constituent is an ex-serviceman and he has no legal training. As far as he was concerned, he was a TPI recipient and that was fair compensation for the service that he had done for his country.

After a number of telephone calls from these lawyers, my constituent was visited in Sydney by a solicitor from this firm in August 2001 and interviewed at a hotel in York Street. The offer was for the practice to represent Mr Pearce. It was not going to be a class action, which could disperse costs. Rather, the practice chose to run Mr Pearce’s case solely as a precedent. Again, anyone legally trained would have known that he would bear the costs. The solicitor was dealing with a number of different matters during his interview that were unrelated to Mr Pearce and was really not giving Mr Pearce his full attention. But what Mr Pearce picked up from that interview was that there was a no-win, no-fee arrangement. At this interview, Mr Pearce was given a retainer agreement to look through and sign. He signed it on face value and on what the lawyer had told him. He understands that he should have read the fine print. In his mind, he understood that he would not have to pay any moneys at any time, especially if this matter was not successful in court. He has paid several costs throughout—$1,000 here or $2,000 there to file this and file that for the solicitors. He had paid that out of goodwill. To date, Mr Pearce has paid over $32,000 to the lawyers, plus a $13,500 fee for senior counsel to prepare the matter for the High Court hearing, but this senior counsel did not even appear at the hearing. He has used all of his savings and has gone into debt. He has borrowed money that was requested by the solicitor to pay for various costs and disbursements during the course of the action. This is despite him saying on a number of occasions that he could not afford any more money and telling them not to go on. But the solicitor said, ‘We go on; no win, no pay.’ You guessed it: after leave to appeal to the High Court was refused, Mr Pearce received a letter saying that he would be liable for the Commonwealth of Australia’s legal costs. This letter was from the solicitors. It said:

We estimate that the total legal costs payable to the Defendant will be between $150,000 and $275,000 ... once we receive the Defendant’s account we recommend you provide us with $2,500 to pay the cost assessor to object to the terms of the account.

(Time expired)

Question agreed to.

House adjourned at 7.59 pm

NOTICES

The following notices were given:

Mr McGauran to present a bill for an act to amend the Wheat Marketing Act 1989, and for other purposes. (Wheat Marketing Amendment Bill 2007)
Mr Ruddock to present a bill for an act to implement the Australian Government’s response to recommendations made by the Inquiry into Certain Australian Companies in relation to the United Nations Oil-for-Food Programme, and for other purposes. (International Trade Integrity Bill 2007)

Mr Ruddock to present a bill for an act to amend the law in relation to Judges’ pensions, and for related purposes. (Judges’ Pensions Amendment Bill 2007)

Mr Ruddock to present a bill for an act to amend the Telecommunications (Interception and Access) Act 1979, and for other purposes. (Telecommunications (Interception and Access) Amendment Bill 2007)

Mr Lindsay to move:
• That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: National Towers Program Stage 1 for Airservices Australia at Adelaide, Canberra, Melbourne and Rockhampton airports.

Mr Lindsay to move:
• That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Lavarack Barracks Redevelopment Stage 4, Townsville, Qld.

Mr Lindsay to move:
• That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Defence Force School of Signals Redevelopment at Simpson Barracks, Watsonia, Vic.
Wednesday, 13 June 2007

**STATEMENTS BY MEMBERS**

**Logan Central Respite Centre Association**

*Dr Emerson (Rankin)* (9.30 am)—I wish to speak today in support of Logan Central Respite Centre Association’s proposal for Regional Partnership funding. The Logan Central Respite Centre is a not-for-profit community organisation. It provides centre based and in-home respite for the aged, the frail and young people with moderate to severe disabilities. The centre aims to support the existing relationship between the frail aged and younger persons with disabilities and their families and carers in the community. The Logan Central Respite Centre’s goal is to continue to improve the quality of life of those people in need of assistance and their families and carers through the development of a comprehensive range of integrated home care and community based services in the Logan area.

The area that the centre serves is a very deserving area. Large parts of it are quite heavily disadvantaged, and this is a very worthy proposal. The Logan Central Respite Centre is committed to enhancing independence for those in need through effective, comprehensive, flexible and responsible respite and the associated services that can be delivered by a caring and competent team. The goal of the centre is to provide a realistic alternative to the premature or inappropriate placement in long-term residential care facilities in the Logan Central area, and that is a very important and valuable model. Logan Central Respite Centre is at present providing five day a week respite services for around 115 clients each week. It is also providing recreational, social and medical services and shopping as well as in-home respite for bedridden clients. The centre operates with nine staff as well as 15 dedicated volunteers.

The centre has applied for funding of $1.1 million through the Regional Partnerships Program to construct a purpose-built respite centre for the rapidly growing demand in the area. The new centre would be built on land allocated by the Logan City Council and would give a capacity to cater for an ever-growing demand. So this is a very worthy project. I hope the government evaluates it quickly and is able to approve this project. It is desperately needed in our area. It is a high-need area and I want to fully support the application for regional assistance partnership funding through the Greater Brisbane Area Consultative Committee.

**New South Wales Flood**

*Mr Baldwin (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources)* (9.32 am)—Mr Deputy Speaker Causley, as you would be aware, over the weekend we had a devastating flood in our region of the Hunter and the Central Coast. The media reports that the cost of this massive flooding and devastation could be in excess of $1 billion. But it has not only had an impact on homes, businesses and individuals; it has had a massive impact on infrastructure. For example, our all-important coal industry has suffered. In the Hunter the coal industry has already lost hundreds of millions of dollars in sales. Once our rail system is up and running again, coal shipments will resume, and if they resume this week the loss of shipments just since Friday will amount to some $115 million.

Some families have lost their homes. They have lost their livestock. Their furniture has been destroyed. The precious food for their livestock is gone. It is estimated that 6,000 fami-
lies had to be evacuated from the township of Maitland. The floods have also led to a tragedy: 62-year-old Robert and 50-year-old Linda Jones were killed after their four-wheel drive was washed off the Wallaroo Creek bridge, which had flooded near Clarence Town. The couple were my constituents. They moved to the area in 1984 and they were both members of the Clarence Town Bowling Club. Following the news of their death, the bowling club has been flying their flag at half-mast. Our town is in mourning.

Insurance companies have so far received over 18,000 calls about claims, and most have come from people in the Hunter and Central Coast, but insurance companies will continue to receive thousands of calls over the next few days. I congratulate the federal government on offering immediate assistance to the families who have been struck in the flood disaster. Financial assistance was distributed straight through to the bank accounts of flood victims last night and it will continue. I congratulate the Prime Minister, who is absolutely committed to helping those who are injured, have lost their home or have been unable to occupy their home for a period of 48 hours, and this cash will go to them. Each adult victim of the flood will receive $1,000 and each affected child will receive some $400. A Centrelink hotline was set up on Sunday and it has taken over 2,000 calls already. In particular, I pay tribute to the hard-working volunteers—those in the SES, and particularly Greg Perry, who is Regional Controller of SES Headquarters at Metford, and Alan Williams, the controller from Raymond Terrace. I also pay tribute to our rural fire services, New South Wales Police, council workers, all of the volunteers and the Army, which came to help and did their bit for our area. The Prime Minister visited on Monday and that gave a great morale boost to not only our volunteers but also our community. I congratulate the hard work, effort and dedication of those people determined to make it easier for those in our community.

Mr HAYES (Werriwa) (9.36 am)—Professor Larry Smarr, the Director of California Institute for Telecommunication, Information and Technology, got it right when he said:

I am concerned about Australia. We are in a once-in-30-year transition, and if you are not serious about real broadband you will be gradually left out of more and more of the emerging business opportunities, and challenged for the ones you thought you had.

However, he is not the only person concerned about access to broadband in Australia. Plenty of people living in the outer metropolitan areas of Sydney are too. If the comments of Professor Smarr do not act as a wake-up call for this government, you only need to listen to the words of one of my residents in Werriwa, Mr Rosario Maimone, who lives in Prestons. Recently, he was quoted as saying: ‘I live in Prestons, not the Pilbara, so I was shocked when Telstra said I couldn’t get access to broadband internet.’ Mr Maimone’s experience is not unique. He is one of thousands in outer metropolitan areas who lack access to high-speed broadband.

The Minister for Communications, Information Technology and the Arts dismissed their concern by saying that they can access wireless broadband. I do not know when the minister last regularly used wireless broadband, but if she were forced to she would actually understand the limitations and, more importantly, the limitations on wireless broadband access plans, not to mention the costs. The government seems to have an attitude problem when it comes to residents of outer metropolitan areas, not just in Sydney but throughout this country. These people do not deserve to have their complaints dismissed so flippantly by an arrogant,
out-of-touch government that does not understand that dependable, affordable access to high-speed broadband is about jobs.

High-speed broadband is the platform for future business development, much like railways and roads were in the past. Yesterday, the Minister for Agriculture, Fisheries and Forestry said that the government had been rolling out broadband policies since 2002. They have not fully rolled out, let me assure you, to the south-west of Sydney. The government should hang its head in shame that residents less than 50 kilometres from Australia’s most global city cannot get access to high-speed broadband services. The minister hinted at an announcement before the end of the week. No doubt it will be yet another committee writing yet another discussion paper about expanding broadband services. In the typical fashion of this government, there will be more conversation and no action. The government did not mention broadband once in its 2004 policy statement for Western Sydney, but, let me tell you, the people who live there want it anyway.

Dalai Lama

Mr SLIPPER (Fisher) (9.38 am)—Last night I was privileged to be one of the co-hosts of a reception organised for His Holiness the Dalai Lama on the part of the All-Party Parliamentary Group for Tibet. The honourable member for Melbourne Ports opposite is the chairman, I am the deputy chairman and other members include Senator Bob Brown from the Greens and Senator Natasha Stott Despoja from the Australian Democrats. I personally believe the Dalai Lama is one of the greatest living individuals on our earth today and I always feel enormously privileged to be in his presence.

I was impressed that some 60 members and senators from all political parties and including some Independents turned up at the reception. Many were also privileged to have their photograph taken with His Holiness. A number of years ago I, at my own expense, travelled to Dharamsala in India, where I was privileged to have a private audience with His Holiness for some 30 to 40 minutes. I was also able to sit in on His Holiness’s teachings in Tibetan. I found them to be inspirational, even though I personally do not understand one word of Tibetan. Yesterday, he gave us an overview of the Tibetan situation. He spoke about the importance of the Tibetan culture and language. He spoke about the environment. He talked about happiness. He answered questions from honourable members and senators who were present. All of us felt that we were somehow blessed by being once again in his presence.

Over the last few decades, His Holiness has had to put up with things that none of us would want to have to put up with. He is one of those people who, like Nelson Mandela, seem to have suffered enormously but never seem to have any bitterness. He is never twisted. He is always optimistic, sunny and open. He is always a role model for all of us. The Dalai Lama is greatly respected right across the political, religious and community spectrums in Australia. He is enormously unifying and a person we can all look up to. In my own area, the Chenrezig Tibetan Buddhist monastery runs a Cittamani hospice for palliative care. They assist people in their dying days.

It is my regret that the parliament is sitting today and I am not able to be at the Australia Zoo on the Sunshine Coast, where His Holiness will be meeting Mrs Terri Irwin and her family. The Dalai Lama had planned to visit Mr Steve Irwin before his untimely passing last year and I am very pleased that the visit to the Sunshine Coast is progressing. The Dalai Lama stands head and shoulders above just about anyone else I know. I greatly admire him. I know
that my admiration for His Holiness is shared by other honourable members and senators—and, indeed, by the community at large.

Men’s Health

Ms KATE ELLIS (Adelaide) (9.41 am)—Today, I rise to speak about Men’s Health Week and, more particularly, about prostate cancer and a recent forum that I had in my electorate in Adelaide. Men’s Health Week is a very important week in the Australian community. It is a time to bring men’s health to the top of the public agenda and a time to promote community awareness of various men’s health issues. It is also a time for us as parliamentarians to look at ways to improve men’s health and wellbeing and to improve awareness of and funding for issues in men’s health. To help commemorate this week, last Tuesday I hosted a forum at the German club in my electorate of Adelaide to discuss prostate cancer with many people within my community. We had a good attendance of mainly men, but a couple of supportive wives came along as well. It is very important that we discuss this issue because prostate cancer is the most common cancer suffered by Australian men after skin cancer and the second highest cause of male cancer death. It is a significant concern to many men in the community. Sadly, some of them do not know where to turn for information and support.

At the forum last Tuesday, we had the opportunity to hear from Dr Peter Sutherland, a leading urologist based at the Royal Adelaide Hospital, and from Dr Carole Pinnock, a research scientist in the urology unit at the Repatriation General Hospital in Adelaide. We also had the opportunity to hear from the shadow Treasurer, Wayne Swan, who is also a prostate cancer survivor. He gave some inspiring words and also went a long way to remove a lot of the stigma which sadly still exists around this problem. I would also like to thank Jeff Roberts, who came along and spoke about his personal experiences. He also told some of the community members about places in our local area that they can turn to for support. It is very important that we continue to talk about this issue and that we make men feel comfortable in talking about their health.

Sadly, in Australia we are losing too many men to diseases which could be prevented if we raised awareness and encouraged further screening. We also need to raise the awareness of those who are most at risk. As we heard from Wayne Swan, he had no idea about the increased risk that he had of getting prostate cancer as a result of a close relative developing it. There is still much more that needs to be done in the field of research in this area. I would like to use this opportunity to urge this parliament to increase the funding for prostate cancer research and to increase the promotion of regular check-ups in our community. I thank all of those who came to this important event, and particularly those guest speakers.

Braddon Electorate: Investability

Mr BAKER (Braddon) (9.44 am)—Today it is more important than ever for members of the Australian government to be supporting regional Australia to drive sustainable economic growth. The keys to economic growth are value-adding, investment, driving business and consumer confidence. The Australian government has delivered economic strengths that allow regions such as Braddon to move forward at a level unforeseen in the recent past. It is my responsibility as the local federal member to facilitate this winning formula into a localised model of investability. By identifying those features of our local region that enhance such positive investment criteria, such as productivity gains, growth and ease of transition, Brad-
don has an exciting base for economic growth. In other words, it is about ensuring Braddon is competitive overall rather than just pursuing one business or one project.

So what is investability about? Investability is about making the entire Braddon region more competitive overall, which brings with it complementary gains in social, community and economic areas. It is about enhancing the attributes of Braddon rather than trying to pick winners from potential investors. It is about facilitating Braddon’s productivity gains. Global competition will always mean that, no matter how successful a region is in lowering production costs, it will always run the risk of being undercut elsewhere unless there is continuous boosting to the region’s competitive advantage.

To ensure a base for competitive advantage I am proud to say that the Australian government has delivered such positive benefits to Braddon as education initiatives via the Investing in Our Schools Program, an Australian technical college, the University of Tasmania and the rural medical clinical school and agricultural research centre. Some $70 million in road infrastructure improvements, support to our medical facilities with funding for an after-hours general practice centre, business support through training, capital research and development and trade support have also driven a base for economic development in Braddon. Many critical community projects, including water management, environmental management, youth at risk and mental health, have ensured a balance between business and community development in Braddon. The reality is that governments cannot create clusters nor create sustainable competitive advantage alone, but they can help provide the stimulation and institutional and environmental infrastructure and facilitate organic opportunities for the region’s prosperity, which is the basic philosophy and a key part of the Braddon investability strategy.

St Kilda Film Festival

Mr DANBY (Melbourne Ports) (9.47 am)—Last week I had the opportunity to attend the opening of the St Kilda Film Festival, which opened with a party at the Dogs Bar and adjourned to the Astor cinema by tram. All the participants arrived at the Astor on these very Melbourne vehicles. We were treated to some of the great short films that constitute the St Kilda Film Festival, including one very black film called Black Lassie. ‘St Kilda Film Festival,’ as Paul Harris, the festival director, said, ‘now in its 24th year, provides a unique platform for Australian short filmmakers.’

Last year Peter Templeton and Stuart Parkyn’s 12-minute film The Saviour won best achievement in screenplay at the festival. This year it was nominated for an Oscar. We all hoped that they might make it onto the big stage as a long-time festival entrant and judge Adam Elliot did in 2004 for his claymation triumph Harvie Krumpet, which of course won the Oscar that year. Last year’s surprise Australian hit Kenny, which I saw in this house—where I met the Jacobsons—also got its start as a short in the 2004 festival where it won both a comedy prize and the audience choice. I congratulate the Jacobsons on continuing to be interested in filmmaking in St Kilda. As Mayor Janet Bolitho said:

- St Kilda’s love affair with the flicks stretches back a century to when both locals and visitors queued for open air picture theatres on the foreshore. The then St Kilda Council banned Sunday shows but what it couldn’t quash was the unalloyed enthusiasm for the moving picture or for picture palaces like the Palais and the Astor—which are so well known in St Kilda.
I want to congratulate the winner of the best short film—Swing, which was directed by Christopher Houghton and produced by Louise Pascale—as well as the winner of the best comedy, Car Pool, directed by Martha Goddard, which has something for, and will be of great interest to, all people no matter where they live in Australia. I also want to congratulate the festival director, Paul Harris, and the producer, Adele Denison; Mayor Bolitho and the Port Phillip Council on their continued support of these things, and their chief executive, David Spokes; and the Jacobson brothers. The creative energy that one sees in my electorate amongst filmmakers is largely prompted by this wonderful festival and out of it we see emerge great Australian cultural heroes like the Jacobsons and Adam Elliot. My partner, Amanda Mendes da Costa, and I were very fortunate to meet at the opening one of my great heroes, Tiriel Mora—the great character Martin di Stasio from Frontline and from The Castle.

Mr Johnson (Ryan) (9.50 am)—Amongst the suburbs of the Ryan electorate are Anstead, Karana Downs and Mount Crosby, and the residents in those three suburbs total some 4½ thousand people. They represent almost six per cent of the Ryan federal electorate, which I have the great privilege of representing here in the national parliament. Today in the parliament I want to lend my absolute support to the remarkable and dedicated efforts of a local resident of that area, Mrs Swee-Wan Carpenter of Karana Downs. She has three children at the local Mount Crosby primary school. I am doing this because she has been an inspiration to all of us in government, at the state level and at the federal level, in her push to have a high school built in that area.

Those suburbs represent a very young part of my electorate. It is a family-friendly area, it is a growing area, it is a beautiful part of the Ryan electorate and a beautiful part of Brisbane, and the demand for a high school is becoming more and more apparent. In the parliament today I want to reflect my personal support for this and communicate to all stakeholders, in particular of course the constituents of Ryan who live in Anstead, Karana Downs and Mount Crosby, that I will continue to support Swee-Wan Carpenter in her almost single-handed efforts to raise this issue in the local community. I want to quote an email that she sent to me last Friday, 8 June. She says:

I am very passionate about this issue, and in my enthusiasm to keep the momentum going I ran ahead of myself. It will mean so much to have you Michael, Dr Bruce Flegg—who is the local state member for Moggill—

Wayne Wendt—who is the Labor state member across the Brisbane River in the seat of Blair—

and Cameron Thompson—the federal member for Blair—

all working together for our shared community to get this high school. The power of one united force is better than a splinter here and there.

I say ‘hear, hear’ to that very prescient comment by Swee-Wan Carpenter.

I want to inform all the residents of those local suburbs that I have received hundreds of responses from local residents in reply to the survey that I put together several weeks ago, and I want to thank all those residents who have indicated to me their support for having a high school built in the Karana Downs, Anstead and Mount Crosby area. I call on the state gov-
ernment, which is swimming in GST revenue, to get on board and build this high school, because we all know that the lag time will be some five to 10 years before the first student walks into the first classroom. (Time expired)

Mr Tony Blair

Mr DANBY (Melbourne Ports) (9.54 am)—One of the ill-informed comments we often get from the Minister for Foreign Affairs that Tony Blair has no supporters on our side of politics is absolutely a falsehood. It is my view that when Tony Blair leaves office this month, after a bit more than 10 years as British Labour Prime Minister:

… he leaves behind a country far better than he found it—and unimaginably better than it would have been under 10 more years of Conservative rule.

Those are not my words; they are the words of one of Mr Blair’s most bitter critics, Polly Toynbee, of the Guardian. If Labour in Britain is to be regarded as the heir to the old Liberals, as it should be, Blair is clearly the most successful progressive leader Britain has had since Gladstone. If the Iraq war had never happened, the British commentariat—all of the people who have been so vociferous in their criticism of Prime Minister Blair—would be down on their collective knees begging Blair to stay. Under Blair’s leadership, Labour has not only enjoyed a decade of power but also carried through a progressive revolution in social policy in Britain, building on the economic strength delivered by Gordon Brown’s stern economic management to deliver enormous benefits to Labour’s traditional constituencies. It was Brown and Blair who let the Bank of England float the British pound and that led to all of the benefits that has had for the UK economy, which is booming.

Simon Hoggart, another Guardian writer who has been scathing about Blair in recent years, concedes that people in working-class communities such as the former mining town of Sedgefield in Durham, Blair’s constituency, ‘have become noticeably more prosperous, better dressed and better fed’. Not only that, but their health indicators have improved and more of their children than ever before are finishing school and going to university. Some of this progress rests on the radical changes of the Thatcher years—a fact Blair does not deny. Neither do I, but Blair recognises that the Thatcher policy of cutting taxes for the rich and slashing the size of the state could go only so far in generating prosperity. The real issue that Thatcher dodged was investing that prosperity in raising opportunities for working-class families and thus ending the old class divisions.

Tony Blair was a world leader in other fields as well, including the great challenge of the coming decade: climate change. The Stern report was delivered on his watch. He has led the world on this climate change while our own Prime Minister has, sadly, trailed the pack. Blair finally broke through decades of distrust to achieve peace in Northern Ireland. He persuaded Bill Clinton to go to the Balkans and rescue Kosovo from the murderous Milosevic regime. Very interestingly, Britain and the United States were there to save Muslims in that part of the Balkans. He championed humanitarian intervention in Sierra Leone and other trouble spots. The post-invasion situation in Iraq has been badly botched and no-one can dodge that, but to allow Iraq to overshadow all of Blair’s achievements is demonstrably unfair. Tony Blair deserves to be remembered as the best British Prime Minister since Gladstone.
Nuclear Energy

Mrs GASH (Gilmore) (9.57 am)—Two weeks ago I had the opportunity to be briefed by a group of the nation’s top scientists on nuclear energy research and science. The team at the Australian National University’s Research School of Physical Sciences and Engineering spelt out very clearly their perspective on nuclear power. While I accept that nuclear power and coal are not the only options for our country for delivering baseload power supplies, I was keen to get information on nuclear power straight from the horse’s mouth. Importantly, the briefing emphasised that it is presently illegal to build a nuclear power plant in Australia, and regulation and legislative issues are still to be addressed.

Professor George Dracoulis, the head of the Department of Nuclear Physics at the ANU and member of the Prime Minister’s task force on nuclear power, was very clear in answering my question about the argument of anti-nuclear power critics that nuclear is ‘too slow, too dirty and too dangerous’. With respect to ‘too slow’, Professor Dracoulis said that a modern nuclear reactor could be built in four to five years. As for ‘too dirty’, Professor Dracoulis said that coal-fired power plants are far dirtier than nuclear power plants would ever be. He also addressed the important question of safety. The nuclear power industry operates at probably the highest levels of safety of any industry in the world. It is extremely closely watched. He said that the training of operators around the world now is of a uniformly high standard and the industry itself has a great commitment to safety within the industry and they are watching each other. I do not think you could say it is a dangerous industry. If you wanted to look at the risks of dying, you would have to look at smoking, driving, ingesting ash from coal-fired power stations, shark attacks or anything else, because those are the things that are going to kill you long before nuclear power does.

The briefing underlined my belief that nuclear power is the way of the future in terms of delivering baseload power demands and cutting greenhouse emissions. Those who would blindly dismiss the nuclear option without any consideration are ignorant in the extreme—and I include the Greens and the Labor Party, because they are simply scaremongering people in my electorate about a power plant, and they are not really very serious about climate change. I want to reiterate my objection to a nuclear power plant being built at Jervis Bay or Sussex Inlet or anywhere in the Gilmore electorate at this stage. It simply would not be a suitable location, and it would not be a suitable location for any industrial development because it is one of the nation’s most beautiful regions. I would be equally opposed to seeing a coal-fired power station established there. We boast some of the nation’s most sought-after tourist locations, and a power plant of any shape or form does not say ‘tourism’ to me. In conclusion, I would like to thank Dr Ken Baldwin, Dr Matthew Hole, Dr Boyd Blackwell and Professor Dracoulis for the opportunity to tour the ANU’s research facility. It was a rare opportunity and one that provided me with a lot of information.

The DEPUTY SPEAKER (Hon. IR Causley)—In accordance with standing order 193, the time for members’ statements has concluded.
Consideration resumed from 12 June.

Department of Industry, Tourism and Resources

Proposed expenditure, $1,301,242,000.

Mr MARTIN FERGUSON (Batman) (10.00 am)—I seek advice as to where Minister Macfarlane is or where his junior minister, Minister Bailey, is.

The DEPUTY SPEAKER (Hon. IR Causley)—We have the parliamentary secretary here. Honourable member for Batman, I think you would be well aware of that.

Mr MARTIN FERGUSON—Mr Deputy Speaker, I think it is a fair question. This is a very serious process. It is about accountability. I think they should be front and centre in terms of their ministerial responsibilities.

The DEPUTY SPEAKER—The honourable member for Batman was lucky. He was 30 seconds early.

Mr MARTIN FERGUSON—I will be raising these issues further because I think accountability is very important—as you yourself know, Mr Deputy Speaker Causley, as a former minister of the New South Wales parliament. I would like to go first to the issue of ethanol—something dear to the hearts of some members of this parliament because they are very close to companies such as Manildra. I would like the parliamentary secretary to advise on the following matters. Given the growing food versus fuel debate, what is the government doing to promote the development of lignocellulosic ethanol production in Australia? What progress has been made on meeting ethanol and biodiesel targets? Are there any problems with meeting supply, given the drought? Can the parliamentary secretary also advise whether the department has done any work on whether or not the potential mandating of ethanol by some state governments could at one point in the future lead to an increase in the price of petrol in Australia?

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.01 am)—I thank the honourable member for Batman for his question. We have actually spent $50,278,000, projected for 2006-07, and the budget estimate for the year after that is $63.4 million. The honourable member raises the question about setting mandated targets. The federal government have stated over and over that we do not see that as a position for this government. It should be done by consumer choice driving demand. We do support the development of an ethanol industry, but it is something that should not be forced upon the consumer. If state governments want to regulate in such a way, that is a matter for them.

The federal government is providing financial support, but it is also up to those who are producing the ethanol to explain to motorists, to consumers, the exact benefits, whether they are environmental or economic, to make sure that it is a viable proposition. That is our position on it. It has been well stated in the parliament by the minister. We encourage the industry to grow and develop. I know that my colleague here, the member for Gilmore, has a huge plant, the Manildra plant, in her electorate and has been a very strong advocate for ethanol. Whilst I am sure she would like to see mandated levels, she understands that people should choose this rather than have it forced upon them.
Mr MARTIN FERGUSON (Batman) (10.03 am)—I seek to remind the parliamentary secretary that the question went to: what is the government doing with respect to the potential development of lignocellulosic ethanol in Australia? What has been done to meet its targets with respect to ethanol to date? Are there any potential problems emerging with the drought and what is now an international debate on food versus fuel? Has the government done any work on the potential impact of mandating fuel prices in Australia because of an almost monopoly producer in Australia?

The DEPUTY SPEAKER—The honourable member understands that a question has to be succinct. That was more a speech than a question. Does the parliamentary secretary wish to reply?

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.04 am)—I am advised by our department that our Biofuels Capital Grants program, which commenced in 2003-04, with some $24.3 million of investment, has continued to grow. This year there is $20,225,000 to be taken up as part of that. As for other particulars, I can understand where the member is going in trying to get the government to commit to mandated levels, but we will not commit to mandated levels.

Mr Martin Ferguson interjecting—

Mr BALDWIN—You did raise—unless I did not hear you correctly—the subject of the government setting mandated levels.

The DEPUTY SPEAKER—Could we get to the facts of the budget, instead of having a debate between the parliamentary secretary and the member for Batman. If the member for Batman could identify sections of the budget that he wants questions answered on, then we might be able to facilitate that.

Mr MARTIN FERGUSON (Batman) (10.05 am)—Obviously the advisers have brought to the attention of the parliamentary secretary the issues that I have raised. The information is clearly not available. I ask that the questions be taken on board with a view to giving me the answers. I now go to the question of gas—LNG and GTL, gas to liquids. LNG demand is growing worldwide but it seems that LNG projects in Australia are still struggling to get off the ground—for example, the Gorgon project has been endeavouring to get going for six years. What is holding it up, and what other projects are planned or underway?

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.06 am)—I last year had the opportunity to visit the Woodside onshore processing facility out near Dampier. This is a huge investment. Unfortunately for the member for Batman, infrastructure cannot be built as quickly as he would perhaps like. But let us remember that it was this government that put together the $25 billion deal with China. It was this government that participated in the onshore delivery facility in China. And this government is looking at markets. Every week there are people coming to this country looking for more and more supplies of gas from Australia. But infrastructure development is also at times held up through environmental issues that need to be dealt with, and again I point to the Woodside facility, which has some issues to deal with—Aboriginal stone artefacts and paintings. That is but one. All of the other fields and platforms are taking time in process. If we look at the Timor facility, that is taking a long time just in the negotiation of treaty to establish a commencement date. In fact, I had the pleasure of, on behalf of the minister, putting the bill
before this House on the financial split under the Sunrise treaty and the cooperation that will go beyond.

I agree with the member for Batman: there is huge demand for our gas in this country, but part and parcel of that is getting the infrastructure developed to access it. I also point out to the member for Batman that this country, through Geoscience Australia, has invested a massive amount of money in exploration—by seismic and other methods—to understand where these pockets are. In addition to that, the government is committed to facilitating, through free trade agreements, even greater access to overseas markets for our product. We will continue with that. In relation to the questions that the member for Batman asked prior to that, we will take those on board and we will respond. I could not quite hear what he was saying, and I apologise for that—that is my hearing going—but I thought that he was asking about mandated levels of blended fuels. As I said, the government’s position on that is well known: we are not going to set a target, but we will encourage industry to develop and be competitive in the marketplace.

Mr MARTIN FERGUSON (Batman) (10.08 am)—I appreciate the parliamentary secretary’s comments on ethanol. I clearly do not support mandating. The issues I raise are serious issues, going to what is a very complex debate now about where we go on ethanol and whether or not what is occurring in some states is potentially going to have an impact on the price of petrol generally because of an almost monopolistic position of Manildra with respect to ethanol production in the future, and consumers possibly being the losers. But that is an issue to be followed up by the department, because I think Australian consumers want an answer to that question of whether or not there are alternatives to the Manildra type of production, such as lignocellulosic ethanol production. Continuing with respect to the fuel debate: what is the status of the titles over the Gorgon and Greater Gorgon gas fields, and are they held in production licences or retention leases?

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.10 am)—Not wanting to mislead the honourable member, we will take that on notice and provide him with an exact answer into the staged rollout of leases and the take-up of those leases.

Mr MARTIN FERGUSON (Batman) (10.10 am)—Further, when the government considers retention lease renewal, will it take into account the concerns of domestic gas customers about the willingness of gas sellers to develop fields for the domestic gas market? Secondly, is the government aware that, despite the fact that there are generous tax incentives, the industry is calling for further tax incentives? What is the government’s view about those demands from industry, given the fact that they are already sitting on considerable reserves which they have failed to develop? Will the government also consider a policy option of ‘use it or lose it’, effectively forcing the industry to develop the reserves that they are currently sitting on?

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.11 am)—I thank the honourable member for his question. As I am advised, and I am sure that the member would be aware, the gas pockets that are contained on the mainland of Australia actually come under the purview of the state governments for administration. The federal government, through the offshore gas and oil industry, has control of those pockets. We have been spending a considerable amount of money on research, through Geoscience Australia, to identify those pockets. We have been able to roll out leases for peo-
ple to take up in relation to those. When we look at the investment and development of things such as the Woodside project and the North West Shelf, if we look at the money that is being tipped into the Sunrise project and if we look at research into offshore areas and whether the Bremer Basin contains gas, we will see that these are all things in the future. But I can understand the member’s concern about ensuring domestic supply of gas in Australia.

I am also advised that there is more than ample gas available for domestic supply in Australia, and part of the proof of that is the fact that the government rolled out a massive subsidy in the middle of the fuel crisis to get cars converted to LPG. The take-up of that has been quite phenomenal. Every time the price goes up, the applications to gain access to an LPG vehicle conversion or the $1,000 subsidy for a new vehicle seems to go up. That being said, the delay in that process is, of course, in part due to the delay in accessing installation. Security of supply is critical and we accept that. That is why we take a broad approach to the total amount of availability of gas, oil and, indeed, coal in Australia and how we measure that out.

Also, there are people such as those in AGL who have been involved in looking at establishing the pipeline from PNG oilfields to Australia. People are looking at investing in and developing opportunities there. Of course, for security of supply in my own area in the Hunter, there is a lack of gas availability for domestic and some industrial consumers in the Hunter Valley. Through state governments opening up monopolistic attitudes, there are private investors looking at establishing gas supply lines for domestic consumption. I can assure the member that there will be, in the foreseeable future—no doubt in my lifetime or, indeed, our children’s lifetimes or our grandchildren’s lifetimes, and a few beyond that—no shortage in the supply of gas reserves in Australia.

Mr MARTIN FERGUSON (Batman) (10.14 am)—Further to the issue of the resource sector and opening up development, I go to the iron ore sector—an area of substantial investment by companies such as Rio Tinto, BHP, Fortescue et cetera. There is currently a problem with respect to railway access in the Pilbara. What is the government doing to resolve the question of the iron ore supply chains in the Pilbara? What is the government doing to implement the recommendations of its own Export Infrastructure Task Force to introduce ‘an efficiency override’ for applications for the declaration of export related facilities under part IIA or its associated regimes, or are we just going to continue to go through the courts rather than resolve these problems with government policy decisions?

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.15 am)—I respectfully advise the honourable member that the matter is before the ACCC at the moment and we will await the outcome of an ACCC investigation into the matter.

Mr MARTIN FERGUSON (Batman) (10.15 am)—Does that effectively mean that the government is ruling out a potential amendment to part IIA of the Trade Practices Act, as recommended by its own task force, which enables this issue to be fixed once and for all? The iron ore industry is a major part of our export infrastructure and a huge export earner for Australia.

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.15 am)—There is no doubt that iron ore is a huge export earner for Australia. By the same token, there is no denying that the ACCC was set up to be a first port of call to look at issues pertaining to the Trade Practices Act and competition. If the ACCC finds
that it cannot reach a clearly identifiable solution to the problem, it is then for the ACCC to make recommendations to the government should there need to be changes. But I think what we will do in this situation is allow the authority that we invested to look at this situation and provide a response to government so that the government can then take further action.

This government does not shoot from the hip when it comes to providing solutions. We establish legal frameworks so that people have security in making investments, knowing that there are set pieces of legislation that governments will adhere to. If we were to keep jumping and hopping around and there was no security through legislation, what impact does the member for Batman think that would have on investment in Australia?

I accept that iron ore is a big earner for Australia. There is an opportunity to increase our exports from this nation. But we will not be the government that shoots from the hip and makes ad hoc decisions without reviewing them through the processes that have been used by governments since time immemorial in this place to review things with adequacy and impartiality.

Mr MARTIN FERGUSON (Batman) (10.17 am)—Isn’t it true that the resources sector itself has asked for this efficiency override because of a lack of certainty on investment in the iron ore industry which is now holding back potential investment, effectively meaning that other countries are now getting investment in the iron ore industry to the detriment of Australia, and that a potential amendment of part IIIA of the Trade Practices Act is just not about the iron ore and resources sector; it also includes, for example, the electricity generation sector? Given that the government’s own task force said such an efficiency override ‘would minimise the risk that access regimes would disrupt the very areas of the economy that have performed best in the management of export related infrastructure,’ is the government ruling out an amendment to part IIIA of the Trade Practices Act to fix this issue once and for all so as to secure investment in Australia in not just the resources sector but also a range of other industries such as electricity generation?

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.18 am)—Again I say to the honourable member that the government is not ruling anything in or out. The matter is under consideration by the minister. But, first and foremost, we need to allow the ACCC to do its job impartially. There is no point in having an ACCC if indeed the government just leans on it every five minutes to change the direction of legislation in Australia. That will have massive effects on the investment confidence of people in Australia. The member talks about investment in infrastructure. I do not have the figures on what royalties are paid to the government of Western Australia in relation to iron ore, but I am sure that some of those royalties could be invested in providing infrastructure.

Last night in the House the member for Batman talked in, I must say, a very well-informed way about the coal industry, but the key point that the member for Batman did not raise in that debate was the amount of money secured by royalties. In 2005-06, New South Wales achieved some $447 million in coal royalties and, in that same period of time, Queensland achieved $1.15 billion. How much do the federal government achieve in royalties out of iron ore? The answer: nothing. How much do the federal government achieve in coal royalties? The answer: nothing. When it comes to infrastructure investment, we do not deny that we make our money through having an improved bottom line as a trading figure and through income taxes collected on the way. Those businesses have no GST liability, but what they do
collect is paid back to the state government. It is important that the states recognise—as the member for Batman said last night—that there is a need, in partnership with federal, state and of course local government, to find ways of achieving solutions. We need to see some of the royalties that are achieved invested back into infrastructure, which would go part of the way towards solving some of these problems. I do understand that the issue in relation to the single rail line owned by one proprietor—

*Mr Martin Ferguson interjecting—*

*Mr BALDWIN*—No—who owns the railway line at the moment.

**The DEPUTY SPEAKER** *(Hon. IR Causley)*—Can we have an organised question and answer here? The parliamentary secretary has the call.

*Mr BALDWIN*—There is nothing to stop companies that wish to open up new greenfield sites or iron ore sites providing their own infrastructure, as companies before them have done. And I am talking not only about up in the Pilbara but also about other areas. Companies do invest in their own infrastructure to gain access to markets. As I said, we will adhere to the process laid down by this government to provide security of investment through protection by legislation and allow the ACCC to do their job. When we have received their outcome, we will have a look at the measures to be put in place.

*Mr MARTIN FERGUSON* *(Batman)* *(10.22 am)*—Before I go to the next issue, I will just say that it is not about government investment; it is about a secure investment regime for the private sector. They want to invest more of their shareholders’ money in Australia, but they want an investment regime which guarantees security of investment. The simple prospect is: please amend part IIIA of the Trade Practices Act and create that investment security. Let the private sector do what it is good at.

*Mr BALDWIN* *(Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources)* *(10.22 am)*—Talk about one delivered on a platter! The member opposite, the member for Batman, has just said that their shareholders want to invest money in Australia—we love that; we do everything we can to encourage that—but they want to know that their investment is secure. So I would again put the statement to the chamber that the government cannot just change legislation, ad hoc, to suit individual cases without going through a proper process. I acknowledge that the task force has reported back to the government, but surely the member opposite can understand that the appropriate place to review the question of competition is the ACCC, because that is the reason that they were established in the first place. I do not have the authority or the detail to speak on the ACCC’s behalf—that comes under another portfolio—but I do know that it is pointless to set up independent bodies that are able to examine these issues in detail and then not let them do their job. We need to let them do their job and then take on board their outcomes.

*Mr MARTIN FERGUSON* *(Batman)* *(10.23 am)*—Unfortunately there is a lack of understanding. This is a major legal issue at the moment, and companies have made requests to government to legislate and fix it. But I will move on. Where is the government’s current consideration of a flowthrough shares proposal for the mining industry so as to encourage investment, especially amongst small- and medium-sized miners?

*Mr BALDWIN* *(Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources)* *(10.24 am)*—This is like deja vu. I thought that was exactly the same question
you asked last year, Member for Batman. Our position has not changed. Of course one must work within one’s budget and always attempt to finish the day, like business, with more money in one’s pocket than what one spends. We have been able to do that—unlike most state governments, four of which are continuing their process in debt, not profit. The government do not see that it is economically viable for our nation to provide flowthrough share schemes at the moment. That does not mean that in the long-term they are out. These things are discussed during each and every budget review process, but it is not in the budget this year.

Mr JOHNSON (Ryan) (10.25 am)—I direct a question to the Parliamentary Secretary to the Minister for Industry, Tourism and Resources in relation to the appropriations bills. I would be interested to know as the federal member for Ryan, representing the wonderful western suburbs of Brisbane, the implications of the appropriation bill in terms of Australian tourism, given that the Ryan electorate that I represent relies very significantly on it in terms of employment. Thousands of residents in the electorate of Ryan are employed in tourism, and I have in the Ryan electorate the lowest unemployment rate of all of the federal electorates, at 1.8 per cent. I would be keen to know from the parliamentary secretary the significance of the budget bill and the benefits and the significance for Australian tourism nationally as well as for Australians across the country and, of course, for the Ryan electorate in particular.

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.26 am)—I thank the member for Ryan for his question and I congratulate him on the hard work that he does as a member of parliament in bringing the tourism industry and other industries together as a cohesive force so as to have a low unemployment rate. That is well done, and it comes about through the ability to bring people together and give them an opportunity to have a job. It has been well heralded in this place. Our industrial relations reforms have contributed massively to the reduction in unemployment. I point out to the member that the amount of money that is being spent on tourism funding—$193 million—is directly on the back of the money that has been expended and will continue to be expended for this coming financial year from the tourism white paper. Ministers Hockey and Bailey are adamant about providing long-term support for our tourism industry, putting our best foot forward, approaching markets in new ways and refreshing ideas to get more people to come to Australia.

Of course, our ‘So where the bloody hell are you?’ campaign has been a great success in markets. But some expect that you advertise today and the benefit is there directly tomorrow; some ill-informed people think that you run your ad in England today and tomorrow people are booking. The flowthrough effect of these ads is in the long term. But one thing that is interesting is that, in tourism expenditure, the Queensland state government have barely kept pace with inflation. So, in real terms, in the last seven years we have seen an increase from the Queensland state government of only some $7 million—and they call themselves the tourism state! We say that they should be expanding their investment in tourism, as indeed should all states.

I will give you an example of a state that has. Western Australia has taken its investment in tourism from $31 million in 2000 to $52.8 million in the coming financial year. The Northern Territory is also doing a tremendous job. For a territory with a population of just over 150,000 people, its spending has gone from $26.7 million in the year 2000 to $38.3 million now: an increase of nearly 30 per cent. So they understand that tourism brings dollars to town. Queen-
sland does well from tourism by sheer virtue of the natural asset it has there in the Barrier Reef, but more could be done. Through this government, we developed the ‘So where the bloody hell are you?’ campaign. The question that I ask members to consider is: can you imagine what the slogan would be if Dean Mighell, the head of the ETU, was put in charge of Tourism Australia? I will leave you to ponder that.

We have also seen an increase in investment in the Australian Tourism Development Grant Program. Some of the areas of outback Queensland are also affected by drought and we have seen an increased investment in drought tourism packages. These are there for people to apply for and take advantage of to increase their tourism opportunity. The one thing that we know as we move around to talk to various groups in the tourism industry is that if you do not keep refreshing your ideas, your attitudes and your approach then your market share will diminish. That is why we had to take a very bold and brazen step and put a wake-up call out there internationally by developing the ‘So where the bloody hell are you?’ campaign. I believe, as do many people in the tourism industry—who are providing their own support and investment funding through their own advertising on the back of the Brand Australia advertising—that this program will deliver in bounds. The ‘Throw another shrimp on the barbie’ campaign was outstandingly successful. I believe that this program will take tourism awareness internationally for Brand Australia to the same heights.

Mr MARTIN FERGUSON (Batman) (10.31 am)—My question goes to tourism shopping. When will the current consultation on the review with the state and territory governments conclude? To date, which states and territories have provided a response on the consultation process? What has been the response from each state and territory government that has responded to the consultation process?

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.31 am)—In response to the honourable member’s question, I am advised that the consultation period is still underway. All of the submissions have not been received yet. When all of that is concluded, the government will deliver an appropriate response. We undertake to take the question on notice and provide the information when it is available.

Mr MARTIN FERGUSON (Batman) (10.32 am)—With regard to the involvement of the Minister for Small Business and Tourism in the G’day USA Australia Week 2007 promotion, what was the minister’s total expenditure on the trip on airfares, travel advances, accommodation, ground transport, entertainment and incidentals? Did any of her staff accompany her on the trip? If so, how many staff attended and what was the total expenditure for staff participation in the trip on airfares, travel advances, accommodation, ground transport, entertainment and incidentals? What was Tourism Australia’s budget resource allocation for the program for the years 2004-05, 2005-06, 2006-07 and 2007-08? What proportion of the program’s cost was recouped through cost recovery measures, including sponsorship deals for the G’day USA Australia Week promotion? Lastly, is what the industry telling me true—namely, that the minister complained about the quality of her accommodation in LA? Is there any truth to the rumour that an average of over $1,000 per day was spent by the minister on ground transport during her trip?

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.33 am)—From the very start, let me say to the member that I deal in fact, not inference, rumour and innuendo. The majority of the questions the honourable member
just asked were answered in the estimates. If the member looks at the statements in estimates
and finds that his questions are not appropriately answered then we will take a further ques-
tion on notice on that.

Mr JOHNSON (Ryan) (10.34 am)—As the federal member for Ryan, representing the
wonderful western suburbs of Brisbane, and being a very keen supporter of tourism, I inform
the House that thousands of Ryan residents and constituents rely on the tourism industry for
jobs directly and indirectly. As such, I would be very keen on the parliamentary secretary’s
response to this question. It is around the tourism industry’s response to the budget’s alloca-
tion for tourism promotion. Can the parliamentary secretary also inform me and the House
whether other stakeholders or interested parties may have commented on the appropriation
bill’s specific allocation of dollars to the promotion of the tourism industry? I would be keen
to hear, as I am sure the residents of Ryan who depend on the tourism industry’s integrity and
the tourism industry’s continuing success would be keen to hear, what the tourism industry’s
representatives and other stakeholders or interested parties might have commented given this
is such a profound and significant industry for the continuing prosperity of our country and
the economic security of individuals and their families.

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism
and Resources) (10.36 am)—I thank the member for Ryan for his question in relation to in-
vestment in tourism. On the figures that are provided to me, I would say to the honourable
member that the Australian Tourism Development Program—four years at a cost of $24.9
million—will be providing an additional $10 million over the next two years as part of gov-
ernment investment. That of course is for drought affected areas. I acknowledge that the
member does not exactly have a drought affected area, but I know that the member is on very
high level water restrictions in his region.

Looking at where we go with the investment in tourism, there is no doubt that the response
from the tourism industry to the white paper and that investment was outstanding. The re-
sponse by the industry relief was one of relief to see that we were continuing that investment
with some $193 million to continue the great work of Tourism Australia, which will provide
benefits to all areas of Australian tourism. Some of the new and emerging markets that we are
approaching and the opportunities that lie ahead—not just our traditional markets of New
Zealand, Great Britain, Europe and the US but the newer and evolving markets in areas like
China and other areas through Asia and particularly the work that is being done in India at the
moment—these will provide great economic benefit. At times the average punter in Australia
would look at India and China as being relatively poor markets. Yet the level of middle class
with high levels of disposable income in those two countries equates to more than the market
approach that we would be able to deliver out of Europe or the USA, so I encourage the de-
velopment there.

I know that the member for Ryan has been doing a lot of work, particularly in liaising with
the Chinese market and bringing business tourism to Australia and trying to encourage in-
vestment into his area and his region, and for that work he is to be congratulated. He goes out
on the front foot looking for opportunities for his region, unlike many other people who
would just sit and wait and ask, ‘What about me?’ Here is a fine member of parliament who
goes out on the front foot and looks for opportunities in his electorate. For that he is to be
congratulated and he is a good member of parliament.
When we look at further investment, there are many opportunities that people can tap into to develop tourism projects in Australia—not just the Australian Tourism Development Program; there are other areas and aspects in relation to outlying areas in regional Australia where people can apply for regional and rural partnerships to develop tourism opportunities. So again I congratulate the member on the fine work that he does in his electorate and on behalf of his region in driving forward tourism growth and opportunities and I hope he continues his work in the future.

Mr Martin Ferguson (Batman) (10.39 am)—I simply note that the parliamentary secretary watches the clock closely, but as a teacher used to say to me, ‘Time will pass, but will you?’ I have a question to the minister relating to the Minister for Small Business and Tourism. Does the minister now accept the government’s outcome with respect to the review of open skies that our priority on the Pacific route is Qantas and Virgin Blue or will the minister continue to argue for overseas airlines undermining Qantas and Virgin Blue? Can the parliamentary secretary also advise me with respect to the decline in the Japanese market, which fell 9.2 per cent over the last six months, and how quickly the government considers that a Japanese soap opera will turn this Japanese decline around? Will the minister for tourism and small business audition for the soap opera? Secondly, given the importance of tourism to the Gold Coast and the partnership agreement between the Australian and Queensland governments for the Tugun Bypass, does the minister accept that the M1 must continue to be upgraded and widened in a partnership agreement between the Australian government and the Queensland government; and when will the Australian government—if that is the case—put money on the table to enable the work to continue on the Gold Coast?

Mr Baldwin (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.41 am)—I am afraid some aspects of the question the member has asked are outside the portfolio responsibility. But, in relation to open skies, that question would be better addressed to the Minister for Transport and Regional Services, who at the end of the day has the ruling on that. But let me say this: we encourage people coming to Australia. When we look at Tiger or Asian airways that are looking at our facilities—in particular, they are looking at providing their hubbing out of regional areas—it is to be encouraged.

The member has also asked questions in relation to road funding, which would probably be better addressed by someone else. But can I say that the federal government’s investment at $23.2 billion under an AusLink 2 project has had massive effects on the tourism industry.

Mr Martin Ferguson interjecting—

Mr Baldwin—No, you have asked the question and now you are going to get the answer. If I look at where tourism has grown and developed, it has been where money has been spent on roads to provide safe access to those regions. It is a pity that your mates in the state government of New South Wales cannot wake up to that, because they seem to be spending all of their money in the heart of Sydney but very little in regional and rural areas. The member for Batman has heard me say before in my own electorate that the Bucketts Way, which has had $20 million of federal government money spent on it, has improved tourism. How much did we get out of the state government? Let me tell you, Mr Deputy Speaker, the amount given by the state government was absolutely zero. So there was no money for tourism infrastructure, as the member has just alluded to, in the way of roads, but this government is committed not just with the money it has already spent with AusLink, not just with the
money it has already spent under Roads to Recovery with council, not just the money it has spent on black spot road funding but to the $23.2 billion that we are going to spend on Aus-Link 2 to make sure that we have safer roads. Safer roads increase tourism opportunities. It is a pity state governments do not wake up to that.

Mr Martin Ferguson—Japanese soap opera.

Mr BALDWIN—Oh, the Japanese soap opera.

The DEPUTY SPEAKER (Hon. BC Scott)—Order! The parliamentary secretary will resume his seat and the member for Batman will remain silent.

Mr JOHNSON (Ryan) (10.44 am)—My question to the parliamentary secretary is in relation to the very important body Tourism Australia, which exists to promote Australian tourism. In particular, I would be keen to hear from the parliamentary secretary about the Tourism Australia structure. Given that the chairman, the Hon. Tim Fischer, former Deputy Prime Minister in the parliament, is stepping down, I just wonder whether the parliamentary secretary might be able to comment on this important body, funding for it and the sorts of ideas it might have to promote tourism in Australia but in particular in Queensland, the state that I come from, and of course in Brisbane. The significance of Tourism Australia, as the parliamentary secretary has already touched on, is to steer significant projects that promote Australia internationally. Given this is a very important body in the architecture of Australia’s tourism industry, I would be very keen to hear from the parliamentary secretary about Tourism Australia’s structure and perhaps the future chairman. If he is able to elaborate on that, I would be most grateful.

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.44 am)—Again I thank the member for Ryan—

Mr Martin Ferguson—I bet you do, I bet you do!

The DEPUTY SPEAKER (Hon. BC Scott)—Order!

Mr BALDWIN—The member for Ryan, Mr Deputy Speaker, has hit on one key and critical point, and that is the work of Tim Fischer as the Chairman of Tourism Australia. Not only was this man an outstanding member of parliament and Deputy Prime Minister but he also brought value to the board of Tourism Australia by sheer virtue of the fact that he had been a trade minister. He had overseas contacts, he had overseas understanding and he knew markets; and he brought that to the board of Tourism Australia. It will be sad to see Tim go, because of the contribution that he has made, but we all get a little bit older and we also have a lot of demands on our time in other areas. In relation to the new CEO, Geoff Buckley, I think he is doing a tremendous job, as Scott Morrison did a tremendous job before him. Things progress and move on, but can I say Geoff Buckley is doing a tremendous job.

These programs that we are developing and rolling out across various countries will take time to pick up. As I said at the very beginning, unless you keep refreshing your ideas and your attitudes, unless you go out of your way to build new relationships with travel agents, with opinion makers in those countries who influence the local media, if you sit back and do what you have always done then you are going to achieve nothing better. You cannot ride on the past; you have to drive into the future. I think our new tourism markets that we are developing—as I said, particularly exciting will be those in China and India—will provide great benefits to Australia. The member for Batman talked about the drop-off in the Japanese mar-
ket and then straightaway started to condemn the approaches we take to try to refresh our ideas and access to the Japanese market.

Towns like Cairns that are icons of the Great Barrier Reef and access points need to freshen up their ideas, their approach and their towns to create a new reason for tourists to get there. Tourism attitudes over the last 10 to 20 years have changed. They are no longer purely repetitive markets. This may be a one-time destination for people who come here and they may go to a different destination next time they take a holiday. I will give you an example of that.

The superyacht industry in Australia is a growing and emerging industry. Its total worth to Australia is around $850 million. A few of the key ports that they like to visit are the Gold Coast, Cairns and Sydney. The investment in infrastructure in those ports has provided opportunities for high-spend, high-yield markets to come to Australia. There are problems that evolve that we will need to deal with in relation to visas and those aspects—but it is a new approach. Why are they coming to Australia? These are boats that would traditionally tour the Gulf of Mexico or the Mediterranean, but new people, with new wealth and new opportunities, are not repetitive travellers. They will not go and spend every holiday on the Mediterranean on their boat. They will not go to the Caribbean every holiday. They are looking for a new adventure, a new place to fill, and Australia is very well placed to take up those opportunities.

I have had the pleasure of working with the superyacht industry through the Marine Industry Action Agenda and I know what is on the drawing board, the future plans and future opportunities that it will bring. Not only do they come here for their vacation or holiday; it also gives them an insight into Australia which can develop into an investment program perhaps for growing and emerging business benefits that they might want to achieve. I think that the next five to 10 years in tourism in Australia will grow in leaps and bounds in numbers, in yield and, the bottom line, in jobs, particularly in the southern Queensland region, and there will be employment growth through that facility.

Mr MARTIN FERGUSON (Batman) (10.49 am)—Firstly, there are questions outstanding from estimates which we would like answered. I also accept that Tim Fischer has done a good job. Can the parliamentary secretary therefore explain to the House whether or not the minister has taken on board concerns expressed by the Chairman of Tourism Australia and the council about the minister micromanaging Tourism Australia, about the fact that Tourism Australia cannot issue a media release without the minister’s office’s approval? Can he also explain why Scott Morrison, who the parliamentary secretary conceded was doing a good job, was sacked by the minister? Was it because he was getting a higher media profile than the minister herself?

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (10.49 am)—In the moments that are left before the expiration of time, can I simply say that we all agree that Tim Fischer did a tremendous job and he is a well regarded Australian. He is highly thought of. The process of managing departments, even statutory authorities, is often difficult. It is a new department that has taken new directions. I am sure that the direction and the implementation of ideas from not only the overall Department of Industry, Tourism and Resources but also Tourism Australia and the ministers’ offices is what is delivering the outcomes we require from Tourism Australia and in particular our broader tourism market.
We will stand our ground on where we are going with Tourism Australia, on the market penetrations we will achieve with this new, adventurous marketing campaign. I think the minister is doing an outstanding job. It is never easy going out and fighting for new market share when you have people who do nothing but criticise Australia. We only need to look at Sharan Burrow’s expose in the international market, putting down Australia, reflecting on Australia. What effect does the member think that will have on international tourism coming to Australia?

Proposed expenditure agreed to.

Department of the Environment and Water Resources

Proposed expenditure, $2,025,757,000.

Mr Turnbull (Wentworth—Minister for the Environment and Water Resources) (10.51 am)—I am pleased to present the 2007-08 Environment and Water Resources portfolio appropriations to the Main Committee of the House of Representatives. The budget delivers historic levels of funding to address the key environmental issues confronting us today—water scarcity, climate change and sustainable land management. In this year, 2007-08, the Australian government’s environment related spending will increase to a record $4.3 billion. In the course of its life, the government has spent more than $20 billion on environmental conservation and protection.

There is no greater threat today to the long-term economic and environmental welfare of this nation than climate change and water scarcity. As the Prime Minister recently announced, Australia will move to develop what will be the world’s best domestic emissions-trading system by 2012. This will be the most comprehensive emissions-trading scheme in the world, covering the sources of 75 per cent of all emissions.

Our total commitment to fighting climate change now stands at $2.8 billion. Climate change is a global problem. Global warming is a global problem and it needs a global response. To be environmentally effective, we have to work collaboratively with the world’s largest emitters. We have to work collectively to make the dramatic cuts to greenhouse gas emissions that science tells us we need by the middle of this century. Just to put a frame of reference around the scale of cuts that we need that is comprehensible: in order to achieve the cuts in emissions that science tells us the world needs by mid-century, we will need to have by the middle of this century almost all of our stationary energy and most of our transport energy coming from zero or near zero emission sources. That is an incredible technological transformation that we have to reckon with and deal with. That is the scale of the technological challenge which we are speaking of. There are people who like to suggest that the response to climate change, the response to global warming, will be easy, will be cheap and will not be much of a problem. It is a massive change. It is a technological change on a par with the industrial revolution itself.

So we are working very hard with the major emitters—in particular China and the United States—to develop the confidence and the collaboration necessary for this effective global response. At the same time, we are focused on early action. There are two areas of early action that are most promising and most achievable. The first is forestry, where we are literally leading the world in a new Global Initiative on Forests and Climate, investing $200 million over five years to stop deforestation in developing countries and promote reforestation and sustainable forestry management. Of course, that $200 million is not sufficient to undertake
this massive task alone, but it is designed to motivate and galvanise other countries to partner with us in this enormous effort. If we could simply halve the rate of deforestation, we would reduce global greenhouse gas emissions by 10 per cent, which is more than 10 times the effect of Kyoto.

Turning from climate change to water: no Australian government has ever committed as much in resources to water as the Howard government has, through the $2 billion Australian Government Water Fund, the National Water Initiative—that groundbreaking intergovernmental agreement—and, most recently, the $10 billion National Plan for Water Security, tackling the problems of overallocation and inefficient use of water in the agricultural areas of Australia, where 70 per cent of our water is used. So these are massive contributions to these key challenges of climate change and water scarcity.

Finally—and I will deal with the rest of this in questions, no doubt—we are again leading the world, not alone but in partnership with other countries, in dealing with the key technological challenges. The most important technology to master is going to be clean coal. Australia, the US and the Netherlands are leading the world. That is the measure of our commitment to a cooler planet.

Mr ALBANESE (Grayndler) (10.56 am)—The first issue I wish to raise is the Living Murray water tender. Minister, given that in 2006 the government allocated $200 million to recover 200 gigalitres of water entitlements for the Murray through a tender for water efficiency, which closed on 14 February 2007, can you confirm that only $765,000 was actually spent on purchasing water entitlements through this tender? Can you confirm that only three tenders were accepted, recovering only 454 megalitres of water entitlements—0.2 per cent of the volume that the government aimed to recover? What is happening to the excess funding, the $199 million that remains of the $200 million that you anticipated would be spent on this tender? How can you explain the absolute failure of this tender process, where almost no water has been recovered under the tender?

Mr TURNBULL (Wentworth—Minister for the Environment and Water Resources) (10.58 am)—The honourable member knows that he is misrepresenting the situation, and it is disappointing that he would be so disingenuous. There was never an allocation of $200 million to the tender. In fact, when the tender was announced, I was very cautious about whether we would buy any water at all. The only reference to the figure 200 was that we said we would certainly not buy more than 200 gigalitres, because that was on the high side of the forecast shortfall of the 500-gigalitre target for the Living Murray Initiative. The tender was always stated to be experimental—and you can dig up my press releases and statements of the time—and we specifically did not set a target. I said many times that I did not know whether we would be buying a little water, a lot of water or no water at all. It was an experimental effort and, as much as anything else, was designed for us to understand a bit about the market and the preparedness of people to tender water in circumstances where they had to derive that water from efficiency measures. So the fundamental premise of the member for Grayndler’s question is completely wrong. He is misstating the facts.

Turning to the tender itself, with the way the Commonwealth procurement rules work, the maximum price that can be paid has to be set before the tenders come in. So it is not like a typical book-build where you are buying shares for a company or some sort of financial transaction. It has some unusual characteristics. The price was set at a level, based on advice,
which was above but not significantly above market price. From the time that price was set in a process that was very much at arms-length from the government, obviously for probity reasons and so forth, a number of things happened: firstly, the drought drove water prices up, so water became much more valuable; and, secondly—and this really is what had the biggest impact on the tender—the Prime Minister announced the National Plan for Water Security about 10 days, as I recall, before the due date for the close of the tender.

The National Plan for Water Security overwhelmed this tender because the National Plan for Water Security involves irrigators being subsidised into saving water through efficiency measures, with the Commonwealth paying the bulk of the cost and the water savings being shared, whereas, under the tender, the irrigator would have to spend all the money—100 per cent of the money—on saving water and then sell that water, the product of his savings, to the Commonwealth. So, many irrigators would have looked at the National Plan for Water Security and said that that is a much better deal and accordingly been prepared only to tender for the water through efficiencies tender at a much higher price. So the fact that there were a small number of bids that came in under the threshold price was no surprise to us at all. It was entirely expected. In fact, in some respects, given the National Plan for Water Security and the fact that it presented to many people a significantly better deal, it was surprising that we had any offers at all.

As far as purchasing more water is concerned, the honourable member will be interested to learn that at the recent Murray-Darling Basin Ministerial Council meeting there was a resolution to buy a further 20 gigalitres of water on market by the commission which of course will be using Commonwealth government funds as part of the $500 million we contributed last year. They will be on-market purchases without any strings attached, not related to efficiency measures, and will be done through brokers. That will happen in the latter part of this year. So the purchase of water is certainly happening. The MDBC will be in the market. Indeed, water purchases are part of the National Plan for Water Security.

Mr ALBANESE (Grayndler) (11.03 am)—I go to the national water plan. The Minister for the Environment and Water Resources will recall the Prime Minister’s speech on 25 January which warned about the danger of not taking decisive action on the water crisis. The appropriations being debated in the parliament today indicate that just $53 million will be spent in the coming financial year, 2007-08, and, of that, just $15 million will be spent on addressing overallocation. Why, if it is such a priority for the government, is the $10 billion announcement back-ended in terms of funding? If this were a priority, wouldn’t you expect it to be front-end loaded in terms of the spending?

Why is it that the government has refused to release documents that have been requested under freedom of information legislation by Channel 7 and the West Australian relating to the preparation of the 25 January announcement? Is it the case that the government has used the excuse of concern about the states? Given that it is a fact that the states were not consulted prior to the 25 January announcement, the release of these documents, which the state leaders have indicated they would approve being released, could not possibly cause damage to federal-state relations. Finally, can the minister confirm that the very brief costings table that was published when the Prime Minister addressed the National Press Club on 25 January was one of the documents to which access was refused under the FOI request?
Mr TURNBULL (Wentworth—Minister for the Environment and Water Resources) (11.05 am)—Perhaps the honourable member could remind me of the first question he asked. What was the first point?

Mr Albanese interjecting—

Mr TURNBULL—Thank you—then you ventured into freedom of information. The scheduling of the spending is something that has been put together by the finance department. It takes a fairly conservative view about timing. But I have to say that, based on my now nearly 18 months experience in dealing with water projects, they all take a very long time for the money to be spent. If you think about this program, the bulk of the money is going to water efficiency and irrigation efficiency upgrades. We will be spending money on piping, lining channels, reconfiguring irrigation systems and so forth.

The timetabling of that, inevitably, is going to mean that we will see some projects. Let us say we agree to fund some of those in the course of this year. I would certainly hope that we would be able to do that. Obviously, it is very much dependent on reaching a final agreement with the states on the plan. But, assuming that we can do that, I could see some projects being approved this year and some money being spent. But I have to say, Mr Deputy Speaker Scott, as I am sure you know from your experience in rural Australia, the big dollars will be spent some time down the track because invariably with these water projects there is a lot of planning required and the scheduling of the construction and so forth takes time.

This timetabling is fairly conservative. That is certainly my feeling. We will meet demand. If the projects are there and the money can be spent sooner, then we will do so. We are committed to getting on with the job. This is only an estimate.

Mr Albanese—It is an overspend?

Mr TURNBULL—No, this is an estimate. As you know, in any set of forward estimates there are some unders and overs throughout. But we are not limiting ourselves to those items. I have to say—and you see this with the Australian Government Water Fund projects—that there are projects for which we committed the money several years ago now where the full funds have not been drawn down. That is not due to any lack of preparedness to write the cheque; it is simply that the project has not advanced. These big water projects are long and laborious and they invariably take time. That is why, inevitably in a program of this kind, the expenditure will ramp up from low levels in the earlier years to higher levels in the later years.

In terms of the freedom of information request, that has been answered comprehensively elsewhere. The decision was taken, as you know, Mr Deputy Speaker, by a senior official in the department. It was not a political decision. The answers to the honourable member’s questions are set out in the response from the department.

Mr ALBANESE (Grayndler) (11.09 am)—I will begin by putting on the record that, relating to my first series of questions regarding the tender, on 22 May 2006 Minister McGauran stated:

The government will also allow up to $200 million of its contribution to the purchasing of water from on-farm efficiency savings by way of a tender system that the parliamentary secretary—that is, Mr Turnbull—is working up now.
Secondly, your statement on 19 June 2006 was that the government ‘would not be seeking to acquire more than 200 gigalitres’. I just point out to the minister that that is where the figures came from—from him and Minister McGauran.

**Mr Turnbull**—That is exactly what I said.

**The DEPUTY SPEAKER**—The minister does not have the call. The member for Grayndler has the call.

**Mr ALBANESE**—Thank you, Mr Deputy Speaker. He is new to this; we will give him the benefit of the doubt there. I also indicate that I found your last answer quite extraordinary. I am not sure whether you were justifying the fact that just half of one per cent of $10 billion will be spent in the coming financial year or whether you were suggesting that the $53 million was just a sort of vague figure, that you might spend more or less in terms of the appropriation that is there, so I would appreciate clarification of that.

I want to go to the two specific issues of the Clarence dam proposal and the government’s proposition there. Can the minister confirm that the report by the Snowy Mountains Engineering Corporation states on page 6 that there were ‘no detailed site investigations’ and on page 68 that the report was:

… based on a number of sweeping assumptions due to the restricted time frame, the nature of the study and the lack of access to recent financial data.

Minister, why weren’t there any site investigations for the Commonwealth’s proposal to dam the Tweed and Clarence rivers? What were the sweeping assumptions that were used in the report? Can the minister confirm that there was no research on the energy consumption required to pump water more than 150 kilometres? Does the minister think this is an appropriate way to set policy? Can the minister also address the specific issue of why Commonwealth funding has been supported for the super pipeline to Bendigo but not to Ballarat, contrary to statements by the minister in the Ballarat media when he visited there that this proposal was consistent with the National Water Initiative’s principles and funding guidelines?

**Mr TURNBULL** (Wentworth—Minister for the Environment and Water Resources) (11.12 am)—Firstly, as far as the forward estimates are concerned, I answered that question earlier; the honourable member obviously was not paying attention. It is an estimate. If there is the opportunity to invest more in a nearer time frame then obviously that is something that we would have regard to. The objective is to get on with the job. Having said that, experience in large water projects—which the honourable member cannot lay any claim to, I am afraid—tells you that invariably these projects—

**Mr Albanese**—Nor can you!

**Mr TURNBULL**—you are quite wrong there—always take a lot longer than one imagines and the time frame invariably is much extended. As I said, there are water projects which we committed funds to some years ago where the funds have not yet been drawn down. I am not suggesting that states have been negligent or slow or that councils have been negligent or slow, but these projects do take time.

Dealing with the Living Murray issue, the water through efficiencies tender, all the honourable member did was read back to me exactly what I had said, which was that we would not buy more than 200GL and we certainly did not have more than $200 million to spend, but it was never anticipated, we never suggested, that we would be buying 200GL or indeed spend-
ing $200 million. I was very careful to keep expectations very low. I genuinely did not know how much water would be available. Given the nature of the tender—it was a very valuable experiment; we learned a great deal from it—I did not know how much water would be available from that tender at an acceptable price.

Turning to the Tweed, it amazes me the way in which the Labor Party seem determined to continue the blunder of Kevin Rudd and Wayne Goss and continue to deny the people of south-east Queensland the chance for a sustainable water future. It was Wayne Goss, aided and abetted by Kevin Rudd, who decided not to build the Wolffdene dam.

Mr Albanese—Mr Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER (Hon. BC Scott)—Is the minister willing to give way?

Mr Turnbull—No.

Mr Albanese—My question is pretty clear. Answer the question you were given.

Mr Turnbull—I am answering the question. The decision was taken in 1989 to not build the Wolffdene dam, notwithstanding that it was obvious that the growth in south-east Queensland was ramping up. South-east Queensland is short of water because there has not been effective long-term planning. When you look at planning for water, you have to have every option on the table. One of the questions that has been talked about for many decades is: can water be brought from the Northern Rivers of New South Wales, in particular the Tweed and the Clarence? So we decided to ask SMEC, the Snowy Mountains Engineering Corporation, to do a brief desktop study—it was never intended to be anything more than that—to just look at current costings, based on the hydrological data that was available, and examine whether there was anything even in the ballpark, whether there was anything that warranted further investigation, because many people contended that there were no available options there. It is plain that there are a couple of feasible options on a desktop basis and, as the report indicated, further investigation needs to be done and there needs to be further discussion between New South Wales and Queensland. There is the potential for an integrated water scheme between northern New South Wales and south-east Queensland. Both northern New South Wales and south-east Queensland are going to need more water as they grow. So that report is literally no more than a first step, just to have a brief desktop analysis of some of the possibilities. It has been a very useful exercise from that regard, and clearly, as the report indicates and as I have always indicated, further work would need to be done. The reality is that we are committed to supporting—

Mr Albanese—Mr Deputy Speaker, I rise on a point of order. The minister should stop his rhetoric and actually answer the question. The question that he has failed to address at all is: why were a number of sweeping assumptions made? Why was a committee asked to report on that basis? He says it is a desktop report. What sort of report into a dam for the Clarence and the Tweed is it that has no site investigations? Not surprisingly, he has not responded at all to his failure to support the super pipe going not just to Bendigo but to Ballarat.

Mr Turnbull—Inevitably, in any desktop study you have to make a lot of assumptions, and that is what was done. The critical issues—and this is where the desktop study was very valuable—were: firstly, to examine the hydrological data to form a view about the amount of water that is actually available in any given stream, and that is critical: what is the level of regulation that could reasonably be applied to any given stream; and, secondly, to
examine the cost of building the infrastructure. No sweeping generalisations are made there.

Plainly, to take any project of this kind further, work involving many millions of dollars would need to be done, but of course you would have to get the support of the New South Wales government and the community, and commitment from the Queensland government. But, unless you take the first step, unless you actually put the option on the table and say, ‘There’s a piece of work. Let’s see whether we want to take this further,’ you never get off first base.

One of the problems with water planning for our big cities is that there has been a tendency to take options off the table and say: ‘No, we don’t want a new dam. We don’t like recycling because we don’t want recycled effluent finding its way into the drinking water system. We don’t like desalination because it uses too much energy.’ You take one option after another off the table and then you come back to square one and say, ‘But we’re running out of water.’ The critical thing to do with water infrastructure is to put every option on the table and promote an informed discussion. That report speaks for itself. I cannot expand on that, other than to make this observation: in terms of energy, water is very heavy. A thousand litres of water weighs exactly one tonne and it has a mass of one cubic metre. So moving water around costs a lot of money. The water industry is one of the biggest consumers of energy. But everything you do with water uses a lot of energy. Whether you are pumping it up hill and down dale, whether you are recycling it, whether you are desalinating it, you will find that every use of water is energy intensive—unless you happen to be fortunate enough to have a dam up in the hills and it can run downhill.

As far as Ballarat is concerned, we are still considering that part of the project. When we reach a decision we will advise all interested parties. I think that reaches the end of the list of questions.

Mr GEORGANAS (Hindmarsh) (11.21 am)—Following the National Water Initiative in 2004, has the National Water Commission set up the required national register of water licences throughout the Murray-Darling Basin to identify all licence holders and to give the public easy and accessible information on who these holders of licences are? Can the volume of water that any one entity owns—be it a person, a business or a local, state or even federal government—be identified by name of person, business or government throughout the basin? If not, will the National Plan for Water Security and the $700 million that is being allocated to the Murray-Darling Basin Commission for in part water trading purposes ensure that such information is readily available in the short term—by July 2008, for example? Is the minister aware of any media reports throughout the country lately of companies with no interests in agriculture buying up licences in a big way? What concerns would you have if that is correct?

Mr TURNBULL (Wentworth—Minister for the Environment and Water Resources) (11.22 am)—There is quite a lot of water being bought by a company with no interest in agriculture. It is called SA Water, and it is the state government-owned water utility in South Australia. It buys water licences from mostly dairy farmers in the lower part of the Murray in order to augment Adelaide’s water supply. I do not know whether the member for Hindmarsh regards that as a bad thing, but perhaps he could put out a press release criticising SA Water and the Labor government of South Australia for doing that, if he disagrees with it; it is up to him.

In terms of a register, there is still discussion going on between the states and the Commonwealth, but I would anticipate that while water entitlements will be registered by the rele-
vant states—and of course it will be a transfer on that state register that will constitute the transfer of title—our plan is to have one internet based register which, if you like, consolidates all of those state registers. So the honourable member could go to the internet and find out who owns what water and what types of water. He could find out what the reliability and security of the particular entitlements were in the different jurisdictions. So the answer is to have a basin-wide register, in effect, and with complete transparency.

Mr GEORGANAS (Hindmarsh) (11.24 am)—Can you give us a time frame when this will be up and running? And with regard to my question about non-agricultural interests buying water: are you aware of huge media reports about huge retail outlets—mainly the big supermarkets—buying out water licences throughout Australia? If so, what would the minister’s response be?

Mr TURNBULL (Wentworth—Minister for the Environment and Water Resources) (11.24 am)—In terms of the time frame with the register, the honourable member mentioned July next year. That would be a worthy goal, but again this is a collaborative effort with the states. We are yet to reach a finalised agreement with the states, particularly Victoria, so I hesitate to put a precise time frame on that, but you can understand that we are committed to doing this as quickly as possible.

In terms of large retailers, I have not heard those reports myself. Under the National Water Initiative, the right to water is separated from land—although there remain some statutory restrictions in Victoria in that regard but not in the other states—but it is open for a non-landowner to buy water. There has not been a lot of evidence that I have seen to suggest this is happening on a large scale or in any significant way. Owning water—because of its nature, its bulk, its unpredictable reliability—without a connection or a direct involvement with agriculture poses very considerable risks unless of course you have another use for it like in industry or an urban water utility like SA Water, which plainly has another use for it. To buy water in a purely speculative sense is possible but, given the unpredictability of water availability, it is a very high-risk exercise.

Mr GARRETT (Kingsford Smith) (11.26 am)—I refer the minister to the latest federal budget which showed that climate change programs were underspent by a total of $89 million and that last year the department failed to spend any of the $50 million in funds from the Low Emissions Technology Demonstration Fund. I note that in relation to clean energy alone a total of $37.7 million was not delivered. I refer the minister to information provided at Senate estimates last October where the department confirmed that between 1998 and 2006 Australian Greenhouse Office programs were underspent by 36 per cent. This seems extraordinary given that the government is constantly telling us about its climate change credentials.

I refer additionally to the Solar Cities program and to the announcement in June 2004 of $75.3 million for the Solar Cities initiative, but in that first year the government spent just $1.6 million—half a million dollars less than promised. The next year the government spent even less, just $0.6 million—that was $6 million less than budgeted. In 2005-06, the government spent $3 million—a total of $17 million less than budgeted. So over three years, in the face of the great environmental and economic challenge of climate change, the Howard government, it seems, has spent just over $5 million of its $75 million Solar Cities program; only seven per cent in total.
We should recognise that Solar Cities is a trial program, a program to trial technology that exists in cities around the world, where already it is part of the mainstream energy mix. Minister, can you confirm that the government has spent only seven per cent of its Solar Cities program over three years? How do you reconcile your claim that no country in the world is doing more to reduce its greenhouse gas emissions when your government—this government—confronted with the challenge cannot deliver on commitments of some three years ago?

Mr Turnbull (Wentworth—Minister for the Environment and Water Resources) (11.28 am)—Dealing with the first point that the honourable member raised, which is the under-spend, this is a furphy that was originally raised by Kelvin Thomson, I think, late last year. The Australian Greenhouse Office in 2005-06 fully expended its budgetary allocation and it was also very close to doing that in 2004-05. The government to date has allocated about $2.8 billion for direct climate change measures and that is achieving results. We will contribute to an 87 million tonne a year cut in CO₂ equivalent emissions from 2010—that is equivalent to eliminating all the emissions from the transport sector.

The climate change measures are administered principally through the Greenhouse Office and the Department of Industry, Tourism and Resources and include the more than $740 million worth of measures that have been announced this financial year, with the program starting from 2007-08. Solar Cities is a visionary new energy concept. It is experimental and involves demonstration. As with almost all of our solar energy measures, the idea is to demonstrate the technology and provide the demand that will in turn drive cost reductions through better technology, learning through doing and so forth. Four Solar Cities have been announced so far: Adelaide, Townsville, Blacktown and Alice Springs. They will receive close to $60 million of the $75 million for the program. That program is on track; it is doing well. I was in Alice Springs recently and there are some very innovative elements there. Solar has a great future, particularly in areas like Alice Springs, where the cost of grid connected power is so much higher than it is, say, in a big city like Sydney or Melbourne and so the cost differential is that much lower.

The honourable member attributed to me a statement in which I supposedly said that Australia was doing more than any other country in terms of addressing climate change. I do not know that I have ever put it quite that high, but Australia is certainly a world leader. I remind him that the great untruths that the honourable member spreads about the government’s climate change policy fly in the face of facts. Let us look at some inconvenient truths.

Mr Garrett—I seek to ask a question.

Mr Turnbull—I would like to finish my remarks. The honourable member has to grapple with some inconvenient truths of his own regarding climate change. Firstly, Australia is on track to meet its Kyoto target. Most developed countries are not. That is an undoubted fact. Secondly, we recognise the massive technological challenge that I spoke about earlier in terms of having most of our energy coming from zero emission and near zero emission sources by mid century. A key part of that has to be clean coal. That is recognised. Australia is playing a leading role and punching well above its weight in terms of clean coal technology development. The only other countries that are at the same cutting edge level as Australia are the Netherlands and the United States—because of its scale, it is obviously investing more than anyone else. Then we have forestry, which is another key issue. The member for Kings-
ford Smith derided the global forest initiative as a modest measure. This is the second largest source of emissions, but because it was not his idea he poured scorn on it. That is the vanity of the Labor Party’s approach to climate change. Finally, there is energy efficiency, which is a hugely complex area. There are great opportunities there. Which was the first country to announce the phase out of inefficient lighting? Australia. On those objective measures, Australia is playing a leading role in the battle against climate change.

Mr GARRETT (Kingsford Smith) (11.34 am)—We did not get an answer to that question; perhaps we will get an answer to this one. I refer the minister to his statement in the parliament on 26 March that through the Greenhouse Challenge Plus program over 750 members, all Australian businesses, are projected to achieve 15 million tonnes of greenhouse gas emission reductions by 2010—that is a reduction of about three per cent of our total greenhouse gas emissions. I also refer to Senate estimates of 22 May this year, which showed that, while there are over 750 members of Greenhouse Challenge Plus, only 85 greenhouse reduction plans have been independently verified and that, since January 2006, 86 members of the program have not renewed their membership. In other words, in the last 18 months more members have quit the program than the number of members whose emissions can be verified.

Those figures for emissions reductions are extrapolated for the whole scheme from the small number of agreements that are actually subject to an independent verification process. As the department stated:

We do not hold them to account to deliver on the program in the same way as a regulatory framework would.

So, in this entirely voluntary program lacking in accountability, with a higher drop-out rate than verification rate, which is, in the department’s words, ‘one of the key measures designed specifically to bring about greenhouse gas reductions’, can the minister verify the 15 million tonnes of greenhouse gas emissions by 2010 which he claims from the Greenhouse Challenge Plus, when more members have dropped out than have independently verified their agreements?

Mr TURNBULL (Wentworth—Minister for the Environment and Water Resources) (11.35 am)—I will take that on notice and answer that in a moment when I get some further information.

Ms GEORGE (Throsby) (11.35 am)—Minister, you will recall that you were a very active member of the House of Representatives Standing Committee on Environment and Heritage, which produced very much a groundbreaking report, the Sustainable Cities report, tabled back in September 2005. You will recall in the submissions that came before the committee that one constant theme was the lack of concerted and coordinated action at the national level. Minister, can you explain the reasons why this report has not been responded to by the government in the almost 22 months since its tabling? You will recall you were a very active participant in debates about the recommendations and the outcome of the report; but, since you have taken over the portfolio, I do not see any evidence of that same zeal and commitment being displayed. Could you please advise what actions you have taken and intend to take to drive national leadership on the sustainability of our cities issue?

Mr TURNBULL (Wentworth—Minister for the Environment and Water Resources) (11.37 am)—The short answer is that the report will be responded to on a whole-of-government basis. It is a groundbreaking report, and I was delighted to work so constructively and cordially
with the honourable member for Throsby in its preparation. Without giving a piecemeal response, there are a number of recommendations that, in effect, have already been acted on—or at least the government have introduced measures which match the recommendations in the report. Doubling the photovoltaic rebate is an obvious example. The honourable member for Kingsford Smith will recall he announced he was proposing to double the photovoltaic rebate when he was not, but we actually have. It has gone up from $4 a watt, with a maximum of $4,000, to $8 a watt, with a maximum of $8,000, and as I recall—the member for Throsby can correct me if my memory fails me—that was one of the report’s key recommendations.

The key recommendation of the report which is subject to the greatest level of debate around the country—and, obviously, of consideration by the government—is the recommendation for a sustainability charter and, in effect, a reintroduction of payments analogous to competition payments which are for meeting particular sustainability benchmarks. All of the rest of the measures that are in the report are ones that, in many respects, are now broadly in line with government policy. For example, if you think about the—

Mr Garrett interjecting—

Mr Turnbull—Take water. The honourable member scoffs, but take water: on the recommendation to promote recycling of water, what are we doing? The Australian government are funding some of the most innovative water recycling projects around Australia, be it the western corridor project in Brisbane or the managed aquifer projects in South Australia or Western Australia. We are well advanced on having national standards for the use of recycled water. That, while not particularly glamorous, is vital because local consent authorities need to know what the rules are when developers want to have recycling on their projects and so forth.

So I have given the long answer. The short answer is that it is being considered. The response will be forthcoming; it will be on a whole-of-government basis. But the honourable member knows that a number of the more specific recommendations are ones that either are consistent with or have become consistent with the government’s policies.

Ms George (Throsby) (11.40 am)—In light of the minister’s response, where he indicates that a number of recommendations, if I have him right, are broadly in line with government policy: does that mean, Minister, that the recommendations that the government review the current FBT concessions for car use with a view to removing current incentives for greater car use is broadly in line with government policy? Does the minister mean that mandatory disclosure of energy efficiency in greenhouse performance of residences at point of sale and point of lease is broadly consistent with government policy? Does the minister also contend that the recommendation in relation to lifting the first homeowner grants scheme and aligning it with sustainability criteria is also broadly consistent with government policy? He seemed to indicate in his response that separate and specific recommendations are being picked up elsewhere in terms of government decision-making and policies. Are those three specific recommendations, in the minister’s view, broadly consistent with government policy? And when will we actually get the detailed response to the report? You say that it is going to be a whole-of-government approach—I understand that—but you still give me no indication 22 months after it was tabled when we will finally see the response.

Mr Turnbull (Wentworth—Minister for the Environment and Water Resources) (11.41 am)—The items that the member for Throsby mentioned are not government policy; that is
true. I used the term ‘broadly’ deliberately. There are a number of issues that are addressed there and I am particularly familiar with the chapter on water, which as the honourable member knows is of particular interest to me. The focus there on recycling and reuse is plainly in four square—

Mr Garrett—It’s one chapter.

Mr Turnbull—Yes, but that is a very important chapter. In terms of energy, I mentioned earlier the doubling of the photovoltaic rebate. It was a very specific recommendation that the photovoltaic rebate be doubled. Whether that was a result of the wisdom of the environment committee being heeded by the government or other processes, obviously the views that were expressed by the committee clearly had a big influence on my thinking because I was part of that committee and I listened very carefully to my colleagues. But I think that, rather than try to pick off individual items, it is better simply to conclude by saying that there will be a whole-of-government response and it will be in good time. It is important that it be done thoroughly and comprehensively and, when it is completed, it will be published in the usual way.

Mr Garrett (Kingsford Smith) (11.43 am)—I refer the minister to the government’s announcement in January 2006 of the $100 million commitment over five years as a contribution to the Asia-Pacific Partnership on Clean Development and Climate, AP6. Labor endorsed this initiative when it was launched, noting that it was positive but very limited and quite modest in scale. Now, some 18 months later, we are yet to see the results of this modest initiative. This time last year, as the minister would be aware, the United States congress knocked back the US’s proposed $52 million AP6 funding. Republican Senator John McCain remarked that the AP6 was nothing more than a nice little public relations ploy. This year an AP6 meeting was scheduled for March 2007 but was indefinitely postponed and we are yet to hear whether any other country has made any other commitment other than to attend meetings. Foreign Minister Downer said in May this year the AP6 is making terrific progress. Since its foundering here last January, we are left to wonder exactly what this means. My question to the minister is: so far, how much money have China, India, Japan, the Republic of Korea and the United States contributed to AP6? At the launch the Australian government said $25 million was exclusively earmarked for renewable energy technology. Can the minister confirm that this money has been fully spent or allocated?

A division having been called in the House of Representatives—

Sitting suspended from 11.45 am to 11.58 am

Mr Neville—Mr Deputy Speaker, it might facilitate the processes of the Main Committee if we moved to the next portfolio after the next question. Notwithstanding the recent intervention in the main chamber, we are now over 20 minutes behind. I would appreciate it if you could wind up this segment.

The Deputy Speaker (Mr Wilkie)—The member for Kingsford Smith is in continuation, and I am sure he will take that into account.

Mr Garrett—I will just repeat the question for the benefit of the minister. The question was in relation to AP6 and it was: how much money have China, India, Japan, the Republic of Korea and the United States contributed to AP6? Following the Australian government launch, with a commitment of $25 million exclusively earmarked for renewable energy tech-
technology, can the minister confirm that this money has been fully spent or allocated? I also note the minister will be coming back to us with answers on the questions relating to the Greenhouse Challenge Plus.

Mr Turnbull (Wentworth—Minister for the Environment and Water Resources) (11.59 am)—On the Greenhouse Challenge, the 15 million tonne abatement figure is based on action plans submitted by the nearly 800 members of the Greenhouse Challenge program. Similar to the approach taken by the tax office, and recognising this is a voluntary program, we have deliberately chosen to undertake comprehensive independent verification of a representative group of companies, which is about five per cent of the total numbers. This verification process has demonstrated that companies are undertaking actions and reporting accurately.

Turning to the AP6, Australia led the way in committing $100 million to get these practical projects underway. It was another example of Australia taking a leading role in addressing climate change. The United States has indicated it will provide $US52 million. That is still being confirmed through the US congress. My most recent discussions with the US government indicated that that money would be forthcoming; they obviously have their process to go through. The honourable member might have regard to this development: in President Bush’s recent speech about climate change, he proposed in effect a larger version of AP6.

It is the same concept but having the 15 largest emitters—the EU being one and the United States being another, so it would be the AP6 countries plus the EU and another number of large emitters who represent 85 per cent of global emissions—with a view to reaching an early agreement on an emission reduction strategy as part of and supporting the Kyoto process and the UNFCCC process. This AP6 is likely to become the template for what will probably be the most effective global response. In terms of renewable energy, almost all of the $25 million for renewable projects has been committed, and the total amount will probably be committed before the end of this year.

Finally, on AP6, it was never our expectation that all countries would directly contribute funds to AP6. Many countries, including China, India and Korea, are contributing expertise and other in kind resources in situ in projects in their own countries, where they are making their own contributions to the project as opposed to doing so through AP6. That is happening in respect of the almost 100 projects under AP6. Returning to the theme I started with, I cannot stress too much the scale of the technological challenge that the world faces. The member for Batman understands this very well.

We are to achieve the emission reductions—science tells us we need to—as a planet by mid-century. We will need to have all or almost all of our stationary energy and most of our transport energy coming from zero emission sources. There is a very good table in the emissions trading task group report which comes from the International Energy Agency. It shows the mix of the sources of emissions. It is perfectly plain. It is as at the year 2000 and, of course, when you extrapolate it out to 2050, the volume is greater and the contribution from stationary energy and transport is that much greater. So, to achieve these big reductions, we need to move to our electricity and most of our transport coming from zero or near-zero emission sources.

We have nuclear energy. The Labor Party are opposed to that, of course. They say that should not be an option. We have renewables. They have their own challenges because of their intermittency. We have hydro. The scope for increasing hydroelectricity is pretty limited.
almost everywhere in the world. So clean coal is going to play an enormous part in this mix. Every energy agency, every energy consultant, says the same thing. That is why the collaboration between Australia and the other AP6 countries on clean coal, particularly with China, is of such enormous importance. Ultimately, the solution to our global warming challenge will come through technology. Australia is seeking to have all of the technology options on the table. And, in respect of those technologies that need development, we are leading the charge.

Proposed expenditure agreed to.

**Department of Transport and Regional Services**

Proposed expenditure, $846,521,000.

**Mr GEORGANAS** (Hindmarsh) (12.04 pm)—Will the government allow the second reading of the Airport Development and Aviation Noise Ombudsman Bill 2007 to be debated prior to the next federal election? Will the government support the creation of a similar independent entity with similar terms of reference if introduced to parliament? If not, why is it that the government is determined to ensure that matters pertaining to federal airports and their development and compliance with master plans are exempt from public scrutiny?

**Mr LLOYD** (Robertson—Minister for Local Government, Territories and Roads) (12.05 pm)—Firstly, in response to the member’s question, I am very pleased to be here representing the senior minister, the Deputy Prime Minister and the Minister for Transport and Regional Services who, due to a very important speaking engagement, cannot be here today. I am happy to take that question on notice and provide the honourable member with the answers. I would like to take the opportunity to make some comments in relation to the matter before the House. Obviously, in relation to the budget, the 2007-08 budget continues the Australian government’s commitment since coming to office to build stronger regional communities and grow Australia’s economic economy through investing in our major roads and rail links. From 2009 to 2014, we have committed a massive $22.3 billion to the second stage of AusLink, which is the largest ever investment in the country’s land, transport infrastructure by an Australian government. Coupled with our funding commitment of almost $16 billion under AusLink 1, we are investing around $38 billion over 10 years to ensure our major road and rail links can meet growing levels of passenger and freight demand. This record investment will make it quicker, easier and cheaper for—

**Mr Martin Ferguson**—I rise on a point of order.

**The DEPUTY SPEAKER** (Mr Wilkie)—Is the honourable member seeking to ask a question?

**Mr Martin Ferguson**—This process is about accountability and transparency, not filibustering with lengthy statements by the minister. Let’s get down to a question and answer process as intended.

**The DEPUTY SPEAKER**—The minister is in order. He has five minutes to speak on his portfolio, even if not answering questions.

**Mr LLOYD**—Thank you, and it is an open and transparent process and I am happy to take any questions. I believe that it is appropriate for the government to spend five minutes outlining what we are planning under AusLink 2, considering we are having an investment of some $22.3 billion under this program. It is important that we have the opportunity to do that. Under this program, we are expanding our popular roads funding programs, which are critical to
regional Australia—namely, the Roads to Recovery, the strategic regional program and the black spot programs. Projects to be funded this year under the AusLink program include the Hume and Pacific highways in New South Wales, the Geelong bypass in Victoria and Goodna bypass in Queensland. In South Australia we are funding an upgrade of the Northern Expressway and the Port Wakefield Road.

Mr Martin Ferguson—In accordance with the standing orders relating to the operation of the Main Committee, I seek to ask the minister a question.

The DEPUTY SPEAKER—Is the minister prepared to accept a question at this stage?

Mr Lloyd—I am prepared to accept a question.

Mr Martin Ferguson—With respect to the Reid Highway in Western Australia, will the minister explain to the House why the government allocated $10 million to the Mirrabooka intersection when the priority for both the councils and the state government is the Alexander intersection? Is the government also aware that projects worth $90 million out of a total of $93 million allocated to the strategic regional program in 2004 over a period of six weeks three years ago have not yet been completed? What has happened to the accountability mechanisms within DOTARS? Who is monitoring how the Commonwealth’s money is being spent? What is being done to get these projects completed or else recover the Commonwealth’s money? After all, they were announced over the six weeks of the last election campaign.

Mr Lloyd—I find it quite amazing that the opposition would be critical of more money being spent on local roads and state roads around Australia. The particular project to which he refers—the intersection of the Mirrabooka-Reid Highway intersection—was in fact the No. 1 priority for the Labor Party and I just happen to have the Labor Party calling on us to fund that particular intersection. I am very pleased that we have been able to do that. I understand that there have been some interim works done in that region. But, even in April-May 2006, you had Labor’s Lindsay Tanner and the state member, Bob Kucera, calling on the Australian government to fund it, saying that it was still a very significant black spot and that we needed to do something with that. I am very pleased that the Australian government have been able to fund that particular project.

The strategic regional program has been a great success. It has been well received not only by councils but also by state governments around Australia. We have certainly had a number of rounds of the strategic regional funding program and we will continue to look at that in the future. We will be having further rounds of $150 million twice in the next AusLink program, increasing that to another $300 million. Of course, many of the projects that have been announced have been delivered and obviously many of those projects are under construction. If there are any projects that are not yet under construction, I am happy to provide the details to the member. But the important thing is—

Mr Martin Ferguson interjecting—

Mr Lloyd—Under the strategic Roads to Recovery program and under Roads to Recovery itself, around 99 per cent of all those dollars have actually been spent on building roads. That is why we are very strongly in support of assisting councils, in many cases bypassing the states and allowing the councils to get on with delivering better and safer roads in whatever regions we can.
Mr Hayes (Werriwa) (12.12 pm)—Minister, for some time now I have been participating in a campaign for the widening of the Hume Highway, the F5, southbound from Brooks Road, Ingleburn through to Campbelltown. Minister, you will probably recall this, as I have written to you on a couple of occasions. On the last occasion, I wrote to the minister at the table on 9 May seeking to make out the economic case for widening the F5. The minister will recall that this is a stretch of road that sees more than 80,000 vehicle movements a day, 6,000 of those being movements of heavy vehicles. It is a main national piece of infrastructure, it is a piece of infrastructure which is critical to the development of the south-west of Sydney’s industrial and employment lands and it is something that this government has been put on notice about.

I know that the minister has probably received advice from the member for Macarthur. I do recall that he was quoted on the front pages of local newspapers trivialising this as a ‘project’ and wanting to talk about ‘highways in the sky’ or something to that effect. But I also know, Minister, that Mr Wayne Merton—oddly enough, the New South Wales member for Baulkham Hills—on 29 May actually made some comments. Reading from the Hansard of a debate he participated in, Minister, he said:

No-one disputes that upgrading the F5 is a worthwhile cause and it is obviously a matter that needs attention.

That was the Liberal member for Baulkham Hills. I wish the Liberal member for Macarthur would show a similar commitment to the project.

Minister, the budget sets out an expenditure program of $16.8 billion over a five-year period from 2009-10 for the AusLink 2 national roadworks program. What are the government’s criteria for prioritising projects under AusLink 2?

Mr Lloyd (Robertson—Minister for Local Government, Territories and Roads) (12.14 pm)—I thank the member for Werriwa very much for the question. His criticism of the member for Macarthur is probably just because he wishes that he had the profile of Pat Farmer. But it would be good to see the members working together on these issues. Look, I am happy to receive any recommendations from the local member. I am also happy to receive recommendations from the state government on prioritising these works under the AusLink 2 program. It is a vast program stretching through to 2014. We have conducted, under the AusLink department, some 24 corridor studies around Australia of which I believe 22 are now complete, if not the final two, at this stage. Obviously the Melbourne-Sydney corridor is a part of those considerations. We would certainly be happy to take any representations in relation to expenditure on that.

Mr Martin Ferguson (Batman) (12.15 pm)—To facilitate that process, can the minister undertake—and I accept he is probably not in a position to do so at the moment—to supply an up-to-date spreadsheet showing the status of all the AusLink related projects, the expenditure, forward estimates, dates of expected completion and associated requirements? Can he also advise—this goes to the issue raised by the member for Werriwa—the status of the corridor review which relates to AusLink 2? At what stage are the negotiations with each state and territory government with respect to completing that corridor review?

Mr Lloyd (Robertson—Minister for Local Government, Territories and Roads) (12.15 pm)—I thank the member for Batman for his question. I understand that during Senate estimates Senator O’Brien asked a similar question in relation to the status of the projects. The department has indicated that it will provide what information it can in relation to those pro-
jects. These are important national projects and we are very happy to provide whatever information we can on their status. Obviously, some of these projects are under construction and some are still in the preparatory phase.

Mr Martin Ferguson—The corridor reviews?

Mr Lloyd—The corridor studies are currently underway. As I indicated to the House earlier, my understanding is that 22 of those have been completed. They were all open for public consultation for a long period. In fact, the other two may already be completed. That forms the basis on which we can enter into meaningful negotiations with the states in relation to funding for AusLink 2.

I do want to make the point that AusLink is a shared program. It is shared funding. Gone is this notion of state and federal responsibilities and that the national highway is a federal responsibility and every dollar must come from the Australian government. I have to say that the New South Wales government has been very good in its cooperation on the Pacific Highway, contributing 50 per cent funding, and also with its 20 per cent involvement with the AusLink network. Certainly, in AusLink 2 it will be made very clear that we have expanded the network from the old national highway, including the roads of national importance. Further, we are working with councils and other states on where we can prioritise these projects.

I also have to indicate how disappointed I am with the attitude of the Queensland government, who continue to maintain the outdated notion that the national highway, as they still call it, is a federal government responsibility. It really does demonstrate some of the difficulties with states not having some responsibility within the funding criteria. We have seen some significant cost overruns on projects in Queensland, and I have used the analogy many times: if you were building a house and someone else was paying for it, you may not be quite as robust in considering or as concerned about any cost increases. At the moment, if there are any cost increases in Queensland, the Queensland Minister for Transport and Main Roads, Paul Lucas, simply puts his hand out, writes me another letter and says, ‘Tough. The Ipswich-Logan interchange went from $160 million to $255 million.’ Or he tells me that the Wacol to Darra section of the Ipswich Motorway, which was initially costed at $320 million, will now apparently be significantly dearer than that. I really do appeal to Queensland and to all the other states and territories: work with us on this. There is a lot of money here. We want to deliver cost-effective national infrastructure to all Australians. We need your cooperation to do it.

Mr Martin Ferguson (Batman) (12.19 pm)—Regarding the spreadsheets, there is some urgency on this because a similar undertaking was given at February estimates and the spreadsheets were not supplied until April. So we seek that this be expedited on this occasion. On the funding arrangements—and I understand the nature of AusLink—there were different shared arrangements in AusLink 1. For example, in South Australia, essentially the government cut an 80-20 per cent arrangement. In some other states a 50-50 per cent arrangement was reached. Is it the intent of the government to have a consistent shared funding arrangement across all states and territories for AusLink 2?

Secondly, with respect to the government’s proposal for shared funding under AusLink 2, is the government proposing to fully meet the cost of the Goodna bypass as an alternative to the Ipswich Motorway or does it have an agreement with the Queensland government for a shared funding arrangement? If so, what is the nature of that agreement, as the government has clearly said today that AusLink 2 is about shared funding on all projects?
Mr LLOYD (Robertson—Minister for Local Government, Territories and Roads) (12.20 pm)—I thank the member for Batman for his further question in relation to AusLink 2. It is true that there were differing agreements between each state and territory under AusLink 1. Those agreements were negotiated in the main by the senior portfolio minister. They took into account some variations and some concerns from the states. I believe that in AusLink 2 it would be preferable if we could have a uniform agreement. But there will always be cases—and you would never want to isolate yourself that there are not cases—where we could enter into a different funding arrangement for a different project.

That has been the case with the Goodna bypass. The Australian government has indicated that it will fully fund the $2.3 billion cost. The Queensland government made it clear that it was not their preferred option, but certainly I have spent a lot of time in Queensland recently and the support from the community there and the local federal members is very strong. I cannot see the rationale of widening an already choked Ipswich Motorway and condemning the motorists of that particular region to traffic chaos for many years to come. At the end of the day you only end up with six lanes of traffic where ultimately, by building this Goodna bypass or the northern option, you can end up with two separate roads, which means that you are not going to have the blockages that you would have here and that would deal with the very rapid growth in that region for decades to come. I believe that in the long term it is the right decision to make and the Australian government is very strongly supportive of that. The Queensland government have made it very clear that in this particular case they do not favour what I believe is the best option and that they would not support contributing to that project.

Mr WINDSOR (New England) (12.22 pm)—The minister would be aware of the coal development that is currently under way north of the Murrurundi Range in the Gunnedah basin and that the government expended about $1 million in relation to a consultants’ report into improving coal train access through the Murrurundi Range, the Liverpool Range. I would like the minister, if he could, to give us a status report as to what the government is doing with that consultants’ report. Are there any intentions in relation to AusLink 2 to improve the access from the Gunnedah-Boggabri coal basin through the Murrurundi Range based on the six possibilities that were raised in that consultants’ report?

Mr LLOYD (Robertson—Minister for Local Government, Territories and Roads) (12.23 pm)—I thank the member for his question. As you would appreciate, rail is not directly within my portfolio area, but certainly I am aware that, under the AusLink proposals, the ARTC—the Australian Rail Track Corporation—have conducted that study, and I am certainly happy to do what I can to facilitate any information for you in relation to the results of that study. It is a good opportunity to point out that under AusLink we have taken over the responsibility for the upgrading of much of the main rail network, particularly in New South Wales, and to improve the efficiency, particularly in relation to rail transport for coal delivery to New South Wales ports. It is obviously something that is of great interest at the moment, given the shipping incident at Newcastle and the number of coal ships that are queued up at the Newcastle port waiting to receive supplies. I understand it is an important issue for the honourable member and I am happy to provide what information I can.

Mr NEVILLE (Hinkler) (12.24 pm)—I would like to ask a question of the minister. It leads off from the previous question from the member opposite. Is it the minister’s experience that the states are up to date with their preplanning and planning? It has not been the experi-
ence in my electorate, where it took 4½ years to have the Gladstone port access road completed through a lack of planning and the state government instrumentalities taking that time to get their half of the funding together. There was a similar situation at the Bundaberg port ring-road. Is it the minister’s experience that the states in general, and Queensland in particular, are up to date with their preplanning to allow the Commonwealth money to be spent in a timely and efficient manner?

Mr LLOYD (Robertson—Minister for Local Government, Territories and Roads) (12.25 pm)—I thank my honourable colleague for that question. It is obviously of concern to all of us to ensure that the state governments actually have the information, the planning and the will to construct these major road projects. It is one of the difficulties with our federation insofar as the Commonwealth actually does not own any roads. Even when we construct them 100 per cent, they go back to the states as an asset for the states. We do not build the roads. We do not call the tenders. We do not manage the projects. So we are very much in the hands of the state governments in relation to timing. With the Ipswich-Logan interchange, which I mentioned, funding was available from around 2004 and yet construction has only just begun on that project.

Another good example in Queensland—and I know the honourable member is from Queensland and would be particularly interested in Queensland—is that we provided an additional $220 million in the 2006-07 budget which had to be paid to Queensland in advance by 30 June 2006 for projects along the Bruce Highway between Townsville and Cairns. It took some six months before the Queensland government responded to our requests for priorities of projects and then it was the Queensland minister who was claiming that we were somehow holding up the progression of these particular projects. We need to have constructive goodwill from the states and territories and the Australian government because we cannot build these roads alone. And the community do not want the delays; they actually want us to get on with building roads. I again make the point that we are concerned that in some cases in the states and territories there seems to be a lack of willingness to get on with those projects.

Mr CREAN (Hotham) (12.27 pm)—I want to ask the minister about the underspends in the Regional Partnerships program and in the Sustainable Regions Program. The Sustainable Regions Program, I suppose, is the more glaring because there is a $15.5 million underspend in that program and it is due to run out in 2008. Not only is there that $15.5 million underspend, there is a $9.625 million underspend in the Regional Partnerships program. I find this intriguing and I ask the minister to enlighten us.

Recently there was a gathering of the area consultative committee chairs in Canberra. I sought from the minister an opportunity to address the chairs, given that there is bipartisan support in this parliament—in fact, it was under me that they were established back in 1994-95. I thought this would have been an easy option to have responded to, but the minister refused. I offered to meet them separately and met more than half of them over the course of three days, but they tell me that their two major complaints are, in essence: firstly, that they are getting fed up with the inordinate amount of time it is taking the government to approve proposals; and, secondly, that their recommendations are not always taken into account. How is it that we can have the underspend on the one hand but complaints from the bodies charged with having to make recommendations to the government about the inordinate amount of time? That is the general question.
The specific question goes to the fact that, given this underspend—some $25 million has been rolled over into the next financial year—I know that this is now going to become a massive war chest for the government to use to make announcements just before the election. I therefore want to know why the government has not adopted the recommendations of this parliament for greater transparency in the way in which these funds are administered. With regard to one particular recommendation, why does one of your ministers, Senator Johnston, still say that SONA, the Strategic Opportunities Notional Allocations program—the under-the-radar scheme that ministers use to get themselves out of trouble just before an election—is still going to be available? It was clearly a recommendation of the Senate that that program be abolished.

Whilst we are on SONA, Minister, what is the status is of the Primary Energy Gunnedah grains to ethanol project? The reason I ask is that this was a project approved under the SONA guidelines. I remind you that this is a $1 million grant to the company that has not yet produced a litre of ethanol. I ask the minister why milestone 4 under that program has not yet been met. I also ask the minister if he is aware that the chair of the area consultative committee at the time this grant was awarded and a key project supported was Kevin Humphries, who is now the member for Barwon. Is the minister also aware that Kevin Humphries went into business with the proponent of that $1 million grant, Matthew Kelly, in July last year, in a venture called Mack fuels, to build another ethanol plant and that he still owns shares in that company? Is this what the Regional Partnerships program and the Sustainable Regions Program are all about, Minister? When are we going to get real transparency built into these programs?

Mr LLOYD (Robertson—Minister for Local Government, Territories and Roads) (12.32 pm)—I genuinely thank the honourable member for his series of questions because they give me the opportunity to highlight a number of initiatives which the government has put in place.

Mr Martin Ferguson—Just answer the question.

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Hotham!

Mr LLOYD—I believe it was the member for Batman, Mr Deputy Speaker.

The DEPUTY SPEAKER—The member for Batman, I should say.

Mr LLOYD—I support your ruling. To go back to the conference with the ACC chairs, that was a very successful conference at which all three of the ministers responsible for Regional Partnerships spoke on a number of occasions to the area consultative committee chairs and general managers. It was an opportunity for us to discuss how we can continue to have open and transparent discussions in relation to Regional Partnerships. It is interesting that the Labor opposition stand up here and criticise the time it has taken to allocate funding through Regional Partnerships. As members opposite would be well aware, there were some changes undertaken in the process for Regional Partnerships. There is now a three-minister committee. It is chaired by the Deputy Prime Minister, and the Special Minister for State, Gary Nairn, and I are on that committee. We meet on a regular basis to discuss partnership programs around Australia and approve them or otherwise.

It is an involved process by which we do take very seriously the recommendations of the area consultative committees. We take into consideration the departmental recommendations. We also take into consideration a number of other matters. But, at the end of the day, ministers...
are appointed to make decisions in the best interests of their communities. The honourable member claims that he was the one who set up the area consultative committees, and I for one believe that they are an integral part of providing advice to the Australian government. It is something that we very much value.

As far as the underspends are concerned, we certainly are working with the department and the area consultative committees to see if we can in any way streamline the process. But, at the same time, we want a rigorous process which looks at all of the elements for these projects. We will not rubber-stamp a project because of the time it has taken. We often will send projects back for further information before making a decision. That is something that I think is perfectly understandable and something that I would have thought the opposition would welcome.

Mr Crean—And the Gunnedah ethanol plant?

Mr Lloyd—As far as the situation with the Gunnedah ethanol plant is concerned, it is interesting how the opposition has changed its view on ethanol. At that time, when there was not so much focus on global warming and fuel prices, there was a really vicious attack on anyone who wanted to produce ethanol. There was seen to be a scare campaign that ethanol was going to damage cars. It really made it very difficult for anyone who wanted to get involved in alternative fuels such as ethanol. Now there seems to be a sudden change. Everyone seems to be wanting alternative fuels and the opposition suddenly supports it. But I remember that at that time there was a very strong and concerted attack on ethanol. Primary energy seemed to get linked up into that at that time. As far as the status of that project is concerned, I am happy to seek information from my department and provide anything that I can to you.

Mr Wilkie—My question to the minister is in regard to the project for widening the Great Eastern Highway in my electorate of Swan between Kooyong Road and the Great Eastern Highway bypass. Can the minister please explain why this proposal has received absolutely no suggestion of federal funding? The Commonwealth government has said that it is entirely a state responsibility even though this is the main thoroughfare that joins the eastern states to Perth and the main thoroughfare that links the airport to the city and therefore carries enormous volumes of people traffic from both the international terminal and the domestic terminal. Can the minister please explain why the Commonwealth has not seen fit to fund any of this project given that the mining boom is providing most of the income coming to the Commonwealth? Thirty thousand people fly in and out of the airport each week to work in the mines that generate the money that goes to the Commonwealth, but the Commonwealth cannot find it in its heart to come up with any funding for this project even though the royalties from the mining are going to the government.

Minister, I understand the project is worth $160 million, but the Commonwealth cannot even find it in its heart to come up with half of that money so that I can then go and argue that the states should at least fund some of the project. Can the minister please explain why the Commonwealth sees fit to spend $200 million on advertising for the coming election but cannot spend any money on this highway?

Mr Lloyd (Robertson—Minister for Local Government, Territories and Roads) (12.38 pm)—I am aware of that particular section of road. I visit Western Australia regularly and obviously I travel from the airport to the city. I have had discussions with Minister MacTernan on a number of occasions in relation to this piece of road. I have to make it very clear that
the AusLink network was decided in consultation with and on recommendations from the state governments. We put out a white paper. There was extensive consultation with the state governments. They listed their priorities at the end of the day and they accepted the AusLink network.

Mr Wilkie—I have a question for the minister if the minister is prepared to take the question.

The DEPUTY SPEAKER (Hon. IR Causley)—Is the minister prepared to take a question?

Mr Lloyd—Is this a supplementary question?

Mr Wilkie—Yes.

Mr Lloyd—I have not even got through the first one yet.

Mr Wilkie—I know that we are talking about AusLink, but the Commonwealth advised me in writing that they do not believe that this project in any way, shape or form comes within the guidelines of AusLink. Therefore, any consultation with the states would be irrelevant if the Commonwealth are not even acknowledging that this is a project that should be funded.

Mr Lloyd—I am talking initially about when we were deciding what the AusLink network was. Obviously the Commonwealth would have now written back saying that it is not on the AusLink network, so it is not part of the negotiations. What I am saying is that that was what was proposed and accepted by the Western Australian government at the time. Yes, there are current corridor studies and yes, the Western Australian government would have an opportunity—and I presume they have put an opportunity in to expand the AusLink network—but there is a limit to what the Australian government can do. We are providing $22.3 billion. There is a lot of pressure on the network that we have at the moment.

In the 2007-08 budget that we are discussing at the moment, the Australian government has increased to $1.7 billion its funding to Western Australia over that first five years of AusLink from 2004-05 to 2008-09. That is a massive increase of some 243 per cent compared with the preceding five years. The budget provides Western Australia with some $308 million in land transport infrastructure. You have $64 million for the new Perth-Bunbury Highway, to which we are contributing significant funding. You have $23.9 million for the upgrading of the Great Northern Highway, between Apple Street in Upper Swan and Wubin. There is $28 million for the east-west rail upgrading and passing loops west of Kalgoorlie and, under the Roads to Recovery program, $48.5 million for councils and of course $5 million for black spots.

So the Australian government is not walking away from its obligations of funding roads in Western Australia, but the state government in Western Australia needs to step up to its obligations as well. This is not a road that is on the AusLink network. I take issue with the honourable member saying that the Australian government is getting all the royalties from mining. The Western Australian government of course has significantly increased its revenue from mining. It is the boom state of Australia. They should be rolling in money. They should be able to provide money for infrastructure as well and it really is a matter for the state government.

Mr Hayes (Werriwa) (12.42 pm)—Minister, once again my question is in relation to the Hume Highway, specifically the F5 and the widening of the F5 southbound from Brooks Roads, Ingleburn, through to Campbelltown. Minister, given that the draft Sydney-Melbourne
corridor strategy, the draft Sydney urban corridor strategy and the draft Sydney-Wollongong
corridor strategy, which you have already mentioned, have all listed the widening of the F5
south of Brooks Road as a priority, that the New South Wales government has now committed
$1.8 million for detailed planning for the widening of the F5, and that the RTA would com-
mence construction of the widening immediately after the completion of the widening of the
northbound section of Brooks Road—somewhere mid next year—does the widening of the F5
south of Brooks Road feature in the government’s planning for expenditure under AusLink 2?

Mr LLOYD (Robertson—Minister for Local Government, Territories and Roads) (12.43
pm)—Perhaps to facilitate all the roads we could—

The DEPUTY SPEAKER (Hon. IR Causley)—Does the member for Batman have a
similar question?

Mr Martin Ferguson—Just to get all the roads out of the way, it goes to the issue of the
Goodna bypass.

Mr LLOYD—Yes, I know it well.

Mr Martin Ferguson—Have any contracts or agreements been entered into with the
Queensland government or third parties with respect to its construction? Is it intended that any
such contracts be entered into in this calendar year? Secondly, can the minister also explain to
the other seven state and territory governments why the Goodna bypass, for example, is to be
fully funded by the Australian government yet, for example, the Pacific Highway in New
South Wales and the Hume Highway have to be fifty-fifty, the Deer Park bypass has to be
fifty-fifty and the huge problem, for example, in South Australia with the northern road has to
be shared funding? Why is the Goodna bypass special?

Mr LLOYD—Regarding the F5 question, in relation to AusLink 2, the government has not
made any announcements about the priorities of projects. I welcome the massive increase of
$22.3 billion in funding up to 2014. That provides us with the opportunity to prioritise pro-
jects in consultation with the state governments around Australia. As I said, the 24 corridor
studies will form the basis of much of that priority and, at this stage, the government has not
announced any of the priorities for AusLink 2.

In relation to the Goodna bypass, there was the feasibility study which was funded by the
Australian government—$10 million for the Maunsell study. At this stage, there has not been
a contract entered into in relation to the northern options. Obviously, it is early days yet. We
are very keen to get on with the construction of the Goodna bypass, and I appeal to the
Queensland government to fully cooperate with the Australian government in relation to this
project. We are fully funding it, as you make the point. That is a decision of government. We
have made that decision and we will fully fund that project. We need the cooperation of the
Queensland government in relation to land acquisitions, the moving of services, the calling of
tenders and the construction of this project. It is an important project to the people in the re-

gion. It is an important project to the local member, Cameron Thompson; it is an important
project on behalf of his constituents. He has lobbied very effectively on behalf of his constitu-
ents to relieve the traffic congestion in that region, and the Australian government wants to
get on with the job of building the Goodna bypass.

Mr CREAN (Hotham) (12.46 pm)—I ask the minister again about the underspend in the
Sustainable Regions Program and the recent announcement made in relation to the Longreach

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airport upgrade. I understand the significance of this capital works program. Can the minister tell me when the government made it a condition of their grant that the Queensland government also had to chip in? Was that made clear to the proponents of this scheme when they put their expressions of interest in as far back as a year and a half ago? Why is this new conditionality now before us? Isn’t this just another means by which the government can promise to upgrade the airport only to dud them when a condition that was never part of the deal is used as the excuse to not deliver on the money?

I have talked about all the underspends. The reason we are getting underspends is that the government is not going through due process. It is making announcements on the run, it is making them in marginal seats to try and prop up their electoral interests and it is building in safeguards to avoid having to deliver down the track. That is the Longreach airport. I am pleased that the Minister for Defence is in the chamber. As a former president of the AMA he might be interested in this, because it is another horrendousunderspend in what is otherwise a worthy cause, and that is the Rural Medical Infrastructure Fund to help get doctors into remote and regional areas—a fund announced in 2004 and for which $15 million was committed. But here we are, three years later, and only $2 million has been spent. Why is it that the government has failed regional Australia so hopelessly in terms of delivering on this program? Has that money been rolled over? Is it still available for useful capital works?

Mr LLOYD (Robertson—Minister for Local Government, Territories and Roads) (12.49 pm)—I thank the member for Hotham for his question.

Mr Crean—Two questions.

Mr LLOYD—Two questions. In relation to the first question, I will take that on notice because it is not directly under my area of responsibility. I would hope that the member does support the improvements to the Longreach airport. As I said, I will take the question on notice. I will respond to the member’s accusations that we are somehow trying to not provide—

Mr Crean—Mr Deputy Speaker, can I intervene?

The DEPUTY SPEAKER (Hon. IR Causley)—Minister?

Mr LLOYD—Yes.

Mr Crean—When the minister says he will take it on notice, does that mean he will give me an answer subsequently?

Mr LLOYD—I thank the member for Hotham for his inquiries. I will take the question on notice and I will provide to him what information I can. I am happy to do that in relation to that issue.

The issue that I wanted to take up on that was this idea that the Australian government was sort of offering half funding on the condition that the states contribute and then somehow blaming the states if the project does not get up. I have to say, to take this opportunity, that I have noticed that that is happening right around Australia with the state governments. More and more they are reneging on their responsibility for projects, whether it be state rail or state roads or other state initiatives, whereby they are putting up projects and offering 50 per cent of what should be a 100 per cent responsibility for the states and then coming to the Commonwealth. Then, when the Commonwealth does not agree to fund a state government responsibility, they go back to their communities and say, ‘Oh, it’s all the federal government’s
fault.’ It is not all the federal government’s fault and I think the community is starting to wake up to that in many states around Australia.

As far as the Rural Medical Infrastructure Fund is concerned, it is an important program and the Australian government certainly does want to provide these initiatives to the small rural communities. It was established as walk-in, walk-out community medical facilities with the aim of making it easier for these communities to recruit and retain GPs and allied health professionals. It is of course administered by my department. The department is working closely with the Department of Health and Ageing because they also provide input into the assessment of applications. But on 22 August 2006 the government announced changes to those guidelines from the RMIF, which do aim to increase the number of eligible participants. These changes include increasing the funding cap from $200,000 to $400,000 partnership contribution; expanding the eligibility criteria to allow local divisions of general practice to apply for funding as well as local government, including Indigenous community councils—the ICCs; allowing for the recruitment or retention of allied health professional services and/or general practitioners; and allowing funding of residential housing in certain circumstances.

As of 31 March 2007, 23 applications had been received. Thirteen, with a total value of $2.1 million, had been approved and nine, with a total value of $2.4 million, were being assessed. One application was withdrawn. I can only re-emphasise that the Australian government want to ensure that we can provide this assistance to small and isolated communities around Australia. As I said, we have shown a willingness to change the guidelines. We are happy to consult with communities in relation to that and to talk to area consultative committees to see whether there are any ways we can further streamline that program and get the money out the door in a more timely sense so that we can continue to provide better services for regional communities.

Mr CREAN (Hotham) (12.53 pm)—Minister, with respect, this is a serial pattern of incompetence by your department. There are underspends in every program area. Regional development does not get much in this country. It has its Regional Partnerships. Some are lucky enough to have access to Sustainable Regions. You have the Regional Medical Infrastructure Fund.

The DEPUTY SPEAKER—Does the member for Hotham have a question?

Mr CREAN—My question is: why does the minister allow programs announced by his government to so seriously fail in getting funds out to the people who need them?

Mr LLOYD (Robertson—Minister for Local Government, Territories and Roads) (12.54 pm)—I would not support the idea that rural and regional Australia does not receive a large amount of assistance from the Australian government. We are very focused on ensuring that rural and regional communities around Australia are strongly supported. The honourable member may have forgotten the more than $1.7 billion every single year that goes directly to councils all around Australia in financial assistance grants—

Mr Crean interjecting—

Mr LLOYD—and, of course, Roads to Recovery, which we have increased to $350 million, the Regional Partnerships program and programs such as the upgrading of the rural and isolated airports and, of course, the Rural Medical Infrastructure Fund, another important pro-
gram as well. It is very interesting that the Australian government seems to be having to pick up a lot more of the responsibilities that were traditionally local government and state government responsibilities. If the outrageous proposal by the Queensland government to amalgamate many of the local councils in Queensland actually goes ahead, that will put tremendous pressure on those communities. I have already made it very clear that we do not support the process which they are going through at the moment with the lack of consultation and the seven-member board that is going to basically draw some lines on maps which could, in many cases, wipe out the financial future of many of these towns. You talk about the Australian government supporting rural and regional towns. Without the councils, many of these towns, such as Barcaldine, where I recently attended a rally, those communities simply will not survive. It is very interesting that the Leader of the Opposition rushed up there not long ago and had a chat with the Premier and said, ‘I don’t think this is a good idea.’ His claim that if he was Prime Minister he could work closely with the states had its first big test. He basically got patted on the head and sent back to Canberra. He did not achieve anything at all.

The other reason why there are further delays in Regional Partnerships, Sustainable Regions and RMIF is that the Labor Party continually want to bag the Regional Partnerships program and other programs. They do not really have the interests of the regions at heart. All they are trying to do is play politics with this. We are doing the very best to ensure these programs are open and transparent, and are in fact delivering to the regions and the towns. It is very interesting that the Labor opposition have never supported Regional Partnerships. They have done everything to undermine it, bag it out and criticise it. If you go to virtually any town or community around Australia and ask them what they think of Regional Partnerships, they will tell you about the good work that it is doing.

Mr CREAN (Hotham) (12.57 pm)—Mr Deputy Speaker, I claim to have been misrepresented. As the spokesperson for regional development, I take exception to the assertion that Labor has never—

The DEPUTY SPEAKER—You must be succinct as to where you were misrepresented.

Mr CREAN—He said Labor had never supported the Regional Partnerships program. We have. We have gone on record saying it. We have said that we want greater transparency. The minister should not misrepresent that position.

The DEPUTY SPEAKER—The member for Hotham has made his point.

Mr LLOYD (Robertson—Minister for Local Government, Territories and Roads) (12.58 pm)—I wish to respond to that, Mr Deputy Speaker.

The DEPUTY SPEAKER—Do you claim to have been misrepresented?

Mr LLOYD—No, I thought it was a question to me.

The DEPUTY SPEAKER—No, it was not a question.

Mr LLOYD—I will wait.

The DEPUTY SPEAKER—The member for Werriwa.

Mr HAYES (Werriwa) (12.58 pm)—My question is in relation to the widening of the F5 and the Hume Highway southbound from Brooks Road. Given that three of the corridor studies, which I have previously referred to—and you mentioned the review of the draft corridor studies—indicate that priority should be given to the widening of the F5 for economic reasons
and given that the New South Wales government has now allocated $1.8 million for the
detailed planning of the F5 southbound from Brooks Road between Ingleburn and Campbell-
town, does the widening of the F5 southbound feature in the government’s planned expendi-
ture under AusLink 2?

Mr LLOYD (Robertson—Minister for Local Government, Territories and Roads) (12.59 pm)—Firstly, in respect of the comments made by the member for Hotham, my only response is the old adage: ‘Look at what Labor does, not what it says.’ It is all right for those opposite to say on the record that they support Regional Partnerships—and it is great to have that on the record—but you actually have to look at their track record: what they have done and how they have tried to undermine, delay and cause problems with the Regional Partnerships pro-
gram at every step. I go back to that adage, ‘Look at what Labor does, not what it says.’

In relation to the F5 freeway, I know that the honourable member is very interested in it so I will provide some further details in relation to that project. The widening of the southbound carriageway of the F5 to the M7 and Brooks Road, Ingleburn, of about five kilometres was completed and open to traffic in December 2005. It is a $23 million project fully funded by the Australian government and it was essential to ensure the safe and efficient operation of the M7-F5 interchange. The widening of the F5 from two lanes to four lanes northbound for ap-
proximately five kilometres between Brooks Road and Camden Valley Way is now underway following the awarding of the tenders in December last year. The total cost of this project is $30.1 million with the Australian government contributing 80 per cent or $24.1 million. It is expected the project will be completed by May 2008. You have the F5 ramps at Campbell-
town Road, Ingleburn, and the project consists of a northbound exit ramp that connects with Campbelltown Road north of the Campbelltown Road overbridge at Ingleburn and a southbound entry ramp from a roundabout built at the intersection with Williamson Road. It was completed and opened on 16 June 2006. The total cost of this project was $13.7 million, with the Australian government contributing two-thirds or $9 million, and the Campbelltown council contributing the remaining third.

The point to this is that, on this important road network, the federal government funding for the three projects is $56.23 million whilst the state government has only contributed $6 mil-
lion towards one project. I guess the honourable member has asked me the same question that he asked me previously in a different form. I can only go back to what I said earlier in relation to projects in AusLink 2: we will take very seriously any recommendations from the honour-
able member, from the state government and any submissions that have been put in relation to that in the corridor studies.

Proposed expenditure agreed to.

Sitting suspended from 1.02 pm to 4.01 pm

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.00 pm)—I suggest that the order agreed to by the committee for the consideration of the proposed expendi-
tures be varied by the committee, next considering the proposed expenditure of the Families, Community Services and Indigenous Affairs portfolio and considering the Defence portfolio after the Immigration and Citizenship portfolio.
Ms MACKLIN (Jagajaga) (4.02 pm)—I want to start, Minister, with some questions about child care. The minister will recall that just on Saturday he mentioned that he was concerned that childcare centres may increase their fees in response to the increase in the childcare benefit. The words he used were that he was not going to be a casual bystander. I just want to ask the minister a few questions in this area. It is a very important issue that I think all of us are concerned about. Has the minister actually received any information so far on childcare increases or, alternatively, has the minister actually received any information from childcare providers that they intend to put their fees up from 1 July, following the increase in childcare benefit?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.03 pm)—I have, this afternoon in Brisbane, in the suburb of Waterford, although I forget the name of the centre now. Allegedly—it has written to its families saying that it is intending to put up the fees by 10 per cent on 1 July and that it will be easier to absorb because the federal government has increased CCB by 10 per cent. So we are having a look at what centres are operating around there. We will be making it known whether that is in line with other people’s fees and ensuring that the public have adequate information. Maybe they are way below—I do not know. If they are, they might be just bringing themselves in line with others. But we will look at those sorts of issues as they arise and make the public aware of the choices that they have available. That is what I meant when I said that we are not going to be a passive bystander. There are practical things we can do in advising the public and informing ourselves of the genuine situation.

On Saturday at the Queensland childcare meeting, the issue was raised by one provider in particular who was clearly concerned that I would show such an interest. I made it known to them that you have to be able to justify in the arena of public opinion that these are reasonable childcare rises, that they can be substantiated and that they are not a way of simply taking advantage of the generosity of this measure.

Ms MACKLIN (Jagajaga) (4.04 pm)—Just to follow that up: the minister, if I understand him correctly, when he hears of centres putting up their fees in response to the increase in the childcare benefit, is going to notify parents in surrounding centres of those childcare fee increases? There is no legal action or additional powers that the minister is seeking to use or have agreed to in order to take any additional action against these childcare centres?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.05 pm)—If anything is done in an unreasonable way or in a way which might trigger the need for the ACCC then of course you can use those things. But, first of all, I think we can have faith that the majority of centres will act appropriately. In the event that they do not then I am sure there will be a number of things that can potentially be done. This is but one, then over and above that you have associations that are also interested in protecting the public interest and ensuring
that the issues of affordability are canvassed and understood, so that they do not bring into disrepute this very important industry also.

Ms MACKLIN (Jagajaga) (4.06 pm)—I have a couple of questions on the 2006 Census of Child Care Services. I am interested to know whether the census has been completed. I assume it has been completed, so I ask the minister if it could be released as soon as possible—assuming it has been completed. As a related issue, last night in the parliament the minister said that there is no shortage of child care for the zero to two age group. I wonder if the minister could confirm that that is the case and, if so, what his source for that information is. If the minister could release the childcare vacancies data for children under two years, that would be helpful.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.07 pm)—On the first question, I do not have that information. The draft has not yet been completed and I do not have a date for receiving it—so I am advised. In relation to the second question, my comments were actually in direct response to allegations that you have made on air at different times with me. Each time that they have been raised we have checked on the areas surrounding the allegations and found them to be erroneous on every occasion.

We will be in a position once the CCMS is in to be able to give a far more detailed breakdown of availability by age groups and, I believe, even smaller geographical areas than postcodes. That will help families; it will help the industry as well. At the moment I am going in and drilling in on a case-by-case basis when such information is provided by the public or allegations are made by the public or by Labor. The amount of work that went into propagating those maps which we provided to everyone for the six-month data is not a good use of time at the moment, given that in a very short time we are going to have the CCMS rolling out and that information will then be readily available on an ongoing basis and in a timely fashion. Remember that the information that I released earlier in the year in fact comprised the time lines from June to December last year. That was the best that was available. That was the only time it has ever been available, as you know, and time is now moving on, so we will be providing that information to the market as we get it once the CCMS is in.

Ms MACKLIN (Jagajaga) (4.08 pm)—If I understand that correctly, the minister does not actually have any basis for saying that there is no shortage of childcare places for nought to twos. We do not actually have complete data—is that correct?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.08 pm)—No. What I have said is that the hotline has made it clear and has made that information available, and that, whenever allegations are made, we check around to see whether that information is correct. In every case we have found it to be incorrect, as you know, and we have always reported that back to whoever has been on air. Quite often you get the situation where people are referring—‘people’ being constituents or the media—to long day care. They do not take into account the availability of zero to twos in family day care. We take into account all of those things when making comments about availability.

Ms MACKLIN (Jagajaga) (4.09 pm)—I would just make the point that the minister was quite categoric last night in the parliament when he said that there is no shortage of child care for the zero to two age group. He did not make any provisos that this was just in the areas...
where allegations have been made. He was basically saying that there are no shortages anywhere in Australia. It is an extraordinary statement to make given that we have now discovered that he does not actually have data available for all of Australia; he only has data available for those areas where we have raised issues. Anyway, I will leave that where it stands.

Just to follow up on another issue from last night, the minister said in relation to the child-care tax rebate payments that the average payment to low-income earners is $300 to $500. I think I am quoting him correctly. In the estimate hearings recently, the department confirmed that the average payment being made is $813. I just want to confirm that all of these figures are correct. The minister might recall that just before the budget there was a banner headline in the News Ltd Sunday papers which said that people would be getting $8,000. Can the minister inform us how many families will in fact get $8,000?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.11 pm)—All three of those reports are correct. The average is whatever you quoted it to be in Senate estimates.

Ms Macklin—Eight hundred.

Mr BROUGH—Yes, thank you. The second one is that that does not take into account that under the current law people who do not have a large enough tax liability to offset it are clearly at zero. These people will be brought into the net when it becomes a Centrelink payment and of course constituents and families are not going to be required to keep their receipts. They will receive money, even though they do not necessarily have a tax liability or a big enough tax liability. So it will differ very much. It will be as little as a few dollars, depending on their out-of-pocket expenses and then 30 per cent thereof, if they use very little child care. But the expectation is that it will be in the order of $300 to $500. The advice that I have received is that that seems to be fairly normal. The $800 we have already dealt with and the $8,000 would be for a family for whom 30 per cent of their out-of-pocket expenses is $4,000 and they have one child and that child has been in care for two years. I do not have the specific numbers with me, but of course if they have two children then it could quite feasibly be $16,000. Families have to remember that it is in fact per child per year and, because of the way we have now brought it forward, they will have the bonus of receiving those two payments, one when they put their tax in, any time after 1 July this year, and the other one commencing some time after September when it will start to roll out.

Ms MACKLIN (Jagajaga) (4.13 pm)—So the minister is not able to tell me how many families will get $8,000?

Mr Brough—No.

Ms MACKLIN—Would you take that on notice and get back to me?

Mr Brough—I am happy to have a look at it.

Ms MACKLIN—Thank you. I think we can assume from your explanation that there would be very few families that would get $8,000.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.13 pm)—In the event that we take that as a truism, it would mean that of course very few people are having out-of-pocket expenses of $12,000 and 30 per cent thereof, which of course would make a
mockery of some of the other suggestions that have been made of $350 per week per child that families would have to fork out. That would mean that very few people are making that sort of payment. About 70 per cent of the children in child care are in full time, so that would feed into the number of people who would be making those high levels of payment and then receiving $4,000. We will have a look at the numbers for you.

Ms MACKLIN (Jagajaga) (4.14 pm)—Thank you. Specifically, I want to go to a letter that we received from a parent in Port Augusta. The minister would be aware that one of the initiatives that he has in this year’s budget, which we certainly support, is the change of CDEP positions to proper jobs, and that will include some childcare positions. Our concern is that the Bungala Aboriginal Corporation childcare centre is in danger of closing down because there has not been any guarantee that it will receive funding as part of the conversion of the CDEP jobs. Minister, can you guarantee that Bungala will get these conversions so that we can make sure that the childcare centre does not close!

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.15 pm)—I am just getting some advice on that. You are aware that DEWR is closing the CDEP there because of the low levels of unemployment. When unemployment is under seven per cent in an area, CDEP changes. I am advised that the organisation auspicing the child care no longer wish to continue with that, and they will obviously involve the CDEP. We have offered them other support—in other words, to replace the cross-subsidisation that CDEP was providing. I am unaware as to whether or not they are fully intending to continue that at this point. My adviser tells me that they are not intending to do so at this stage. If that is the case then we will look at it further. There are obviously always opportunities for other organisations to auspice such services. It is not an unusual circumstance in remote or in regional communities to have to find other suppliers. It is something the department is working on at the moment with the local organisation.

Ms MACKLIN (Jagajaga) (4.16 pm)—If I understand that correctly then there is no guarantee that this child-care centre will continue. Is that right?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.16 pm)—No. Obviously, you cannot guarantee anything anywhere. I am saying that, if this organisation has made a decision not to run child care or auspice child care anymore, none of us can force them to do that. If that is the circumstance, we will look at who else may be able to provide appropriate child care and run that service.

Ms MACKLIN (Jagajaga) (4.17 pm)—The concern, of course, will be that those parents will not have child care in the meantime.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.17 pm)—They may not in the meantime.

Ms MACKLIN (Jagajaga) (4.17 pm)—The danger is that they are threatening to close it, and unless the department acts immediately they will be in danger of losing their child care.

I also want to raise some issues about the changes to spot checks that I understand the minister is pursuing. In his address to the childcare New South Wales conference in April this
year, the minister talked about redoing the spot check form. I wonder whether the minister could tell us what changes he has directed to be made to the spot check forms?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.18 pm)—We are working with the industry to do that—when I say ‘we’, the NAC is—and my understanding is that they are due out in the next two weeks. It is the principles behind those forms that we have discussed with them; but, ultimately, it will be a decision for the NAC, with industry, to ensure that they are appropriate. I looked at 100 forms that had been completed, and I was extremely unhappy. I actually went and got a cross-section of the spot check forms and had a look at them to satisfy myself as to whether or not they were meeting what we were after. I think, as you would agree, Member for Jagajaga, if you go into a childcare centre you know pretty quickly whether or not it is a good environment, a healthy environment et cetera. What we are trying to achieve with the spot checks is to pick up anything that is grossly inadequate so that it can be dealt with immediately. We want to pick up things which should be dealt with. They may actually be a state responsibility. Sometimes when people are in the organisation, they may see things that are in fact part of the NAC’s responsibility.

There is the issue of detailed bits of paper being filled out. I described to one of those conferences an example given of a form that had been completed by a spot checker. Because the certificate was not in the appropriate place, in a footnote they wrote, ‘The certificate was not in the appropriate place because the building was being painted and the certificate was on the floor.’ It is an extraordinary story. And then it said, ‘Please explain within eight weeks’—or whatever else—‘why it was not so.’ And you say to yourself, ‘This is barmy.’ So what we want it to do is actually address the needs of the parents and our needs as legislators to ensure that the environment is as it should be, that it is meeting the requirements of the NAC and that we are not just creating paperwork for the sake of paperwork. They were the principles behind it, and the paperwork will be out there within the next couple of weeks.

Ms MACKLIN (Jagajaga) (4.20 pm)—The minister in his response mentioned that some of the issues might be matters that are the responsibility of state governments. In his remarks to the New South Wales childcare conference, he raised one of those, which is the matter of hygiene. In fact, he said specifically that matters of hygiene are not the role of the accreditation council and then went on to talk about redoing the spot check form. We would certainly be very concerned if matters of hygiene were not matters pursued in spot checks. We do think that these are very serious matters. Hygiene is a critical issue when small children are congre-gated together. I just want to know from the minister that the spot check forms are not going to exclude these matters. Yes, in some part they are the responsibility of state governments, but clearly they should nevertheless be part of a spot check.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.21 pm)—I absolutely assure you that, if they see something that is unhygienic, we have asked them to deal with that immediately because the child’s health is at risk. If it is a minor matter, a minor infringement—and, again, it might be just by way of advice—that is the sort of thing that should not be done. If it is a major issue then it is for the state health authorities to deal with. Our spot checkers are required to immediately inform their state counterparts and have them act upon that, who have the authority to do so.
Like you, I am also very concerned to ensure not only that the environment is fine but that the hygienic principles that we would all require around babies and young children are adhered to. What you do not want to happen is, again, a big long paperwork trail back to the NAC for something which is a state government responsibility. Have them responsible for it, notify them of it and have them follow through on it, but deal with any hygiene issues that we have just mentioned immediately—as long as they are inadvertent and not wanton disregard for the health and wellbeing of their centre and their children.

Ms MACKLIN (Jagajaga) (4.22 pm)—If I can just turn then to some of the other issues that are in another part of the minister’s portfolio, the area of Indigenous affairs, the minister would be aware that one of the issues that we have been concerned about is the underspending last year—this came up in the budget papers—of $60 million of unspent funds in the CHIP, the Community Housing and Infrastructure Program, for Aboriginal people. We understand from Senate estimates that the issue is now with the department of finance. I would like to know whether the minister has now received permission to roll over this funding into this year so that this money can be urgently applied where it is needed, and that is in building homes for Aboriginal people where they live in overcrowded circumstances.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.23 pm)—I thank the member for her question. There are two things. We were not prepared to spend money in the same form that it was being spent previously and in doing so repeat the mistakes of the past. Hence, when that money was not able to be expended in a way that could be sustainable, I took the decision—and there was a plethora of issues around that dealing with states and territories et cetera that fed into that decision—that we would apply for that to be rephased through Finance. I have every confidence that that will be done and that money will be applied to this year. It is a standard practice. It happens across all departments. It happens across all governments, and there is no reason to suggest that that money will be lost to Indigenous affairs.

I take the opportunity to remind the House that this is the largest single injection into remote Indigenous housing that this nation has ever seen, being $1.6 billion. There has been nothing even remotely like it. Of course that $60 million will come into this new year. As of today, we are finalising details of major housing developments in a number of remote communities—and certainly in those communities the likes have never been seen—to occur in this dry season. As you would appreciate, the wet and the dry have a big implication as to (a) cost and (b) your capacity to deliver.

Ms MACKLIN (Jagajaga) (4.25 pm)—If the minister expects that this money will be rolled over, will it be on top of the additional money that he has received—the nearly $300 million in new money—for remote area Indigenous housing? Will this $60 million be on top of that or will it be part of that?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.25 pm)—This $60 million is from this year rolling forward—as in the budget papers, going forward. This is money being rephased and then you also have your money going out.

Ms MACKLIN (Jagajaga) (4.25 pm)—On a related issue to do with delays in the building of housing for Indigenous people, I once again want to pursue money that was promised for
the La Perouse community. I understand they were promised $1.45 million. What has happened to that? As I understand it, the money has not been spent. Will the people of La Perouse still get that money, given the government’s decision to shift the CHIP funding into remote areas? Have the La Perouse people now missed out?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.26 pm)—Regarding La Perouse, I cannot speak specifically about the $1.4 million. I recall that there were health issues there of sewerage or septic overruns et cetera; there were health and well-being issues and the Commonwealth undertook to do that work through the CHIP funding. I will try to get back to you as to where that funding is at and whether work has been done at this point. There is a principle behind where we are moving to with La Perouse and other ICHOs—Indigenous community housing organisations. When I was walking down the street in La Perouse I was told that there was a ‘blow-in’—that was the term used—living in a particular house. There were two people with good jobs living in a house with a beautiful view over the harbour and paying a pittance of rent. The houses were designed to be for people who are of lower socioeconomic circumstances. That was a grave concern to the locals there. There were real concerns expressed to me while I was in La Perouse about the way houses are actually dispensed and rented out to various organisations. In particular, the women elders there felt they were being pressured in a very unreasonable way. I did raise these issues with the member for Kingsford Smith but he informed me that he had not been there at that point.

Ms MACKLIN (Jagajaga) (4.28 pm)—Just so I have this clear, the delay is because of infrastructure works that need to be undertaken; is that correct?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.28 pm)—I do not have an adviser here on that at the moment. I will have to double-check for you.

Ms MACKLIN (Jagajaga) (4.28 pm)—Can the minister get back to me and let me know why we have had such a delay, and when the construction on the five houses—I understand it is five we are talking about—will start and when he expects that will be completed? As I understand it, the houses are in very poor condition. If you could let us know when that will happen, that would be very helpful.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.29 pm)—I will give you that update when I have it.

Ms MACKLIN (Jagajaga) (4.29 pm)—Thank you. On another related issue, the minister has been very keen to see homes built on the outstations from Wadeye and particularly to pursue home ownership in this community. I am keen to find out how much it has actually cost to build the four homes in Wudapuli and Nama, and I would appreciate it if the minister could let us know how much those four homes cost.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.29 pm)—I have not been keen to build homes out there; I have actually been keen to see the expression and the desire of the locals fulfilled—that is, for them to own their own homes. It is not my desire; it is theirs. My job is to try and help facilitate that. Yes, four houses have been built there.
know this question was asked in Senate estimates. My understanding is that the cost for some of those houses has not yet been fully determined because they are in dispute with one of the builders or one of the suppliers, I am not sure which. The associate secretary of my department, Mr Wayne Gibbons, I think gave such advice and has taken that question on notice from your colleague in the Senate and no doubt will make that information available as soon as he can.

Ms MACKLIN (Jagajaga) (4.30 pm)—So at this stage we do not know how much they cost. How much money was given to the IBA to build the homes? I wonder if the minister has that data at hand.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.30 pm)—There was not a specific amount of money given for houses in that locality. We have allocated money and provided it to IBA. They are currently about to go into contract for a larger number of houses, some of which will go into those regions. There was no specific amount of money provided to IBA, to the best of my knowledge, specifically for Nama or Wudapuli, but I could stand corrected there because I know we have allocated considerable resources to IBA, who have a public tender out for houses in a number of locations, including Queensland and the Northern Territory and maybe other jurisdictions as well.

Ms MACKLIN (Jagajaga) (4.31 pm)—Just back on CHIP—and I should have asked this before when I was pursuing the issues around the $60 million—I wonder if the minister could actually give us the total amount that was spent under CHIP in 2006-07. Are you able to provide a complete figure?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.32 pm)—I am happy to provide it.

Ms MACKLIN (Jagajaga) (4.32 pm)—Thank you. The minister of course has been keen to get agreement with the town camps in Alice Springs. First of all, I want to know whether the minister is still hopeful of getting a resolution to this issue. Obviously, we are all aware of the circumstances the people live in in the Tangentyere Council and the town camps. I think it is a shared objective that we see those homes and the infrastructure upgraded. I would certainly like to know whether the minister is continuing to discuss these issues and, if so, what the program is for resolving them. I did have the impression that he was still keen to get a resolution to this very important housing problem.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.33 pm)—Yes, I am extremely keen because, subsequent to us not being able to come to an agreement, it has been reported to me that another person was murdered in the town camps—a 23-year-old woman. That is an unacceptable circumstance. Unfortunately, it is not an isolated incident. The Chief Minister flew down to Alice Springs to try and conclude the negotiations. I know that she was as upset as I was that she was unable to persuade the membership of the Tangentyere Council to see sense in this matter. The Chief Minister and her Minister for Housing, Mr McAdam, and perhaps others, are continuing to pursue the matter. As we said in the main chamber today, the town camps are in fact under special purpose leases and they are the full jurisdictional responsibility of the Territory government. But I acknowledge that (a) this is a
human suffering of an extraordinary degree, (b) it is totally unnecessary and (c) the Territory government, I do not believe, would have the resources to be able to do this. Hence, we are putting that money there. I have made it very clear, though, that I think it is unacceptable to put that money there and have it managed by the same organisation that has overseen the management of the houses, seeing the state they are in, when they receive municipal funding from the federal government to maintain those places.

I will inform you here that I have made the decision that, as part of normalisation, in all town camps—Darwin, Tennant Creek, Alice Springs and Katherine, as well as two in Victoria, one being Framlingham—I have requested the department to look at the adequacy of the provision of municipal services that the Commonwealth is currently paying for and to give me a report on those. Clearly it would be unacceptable in any other part of the country if your local council, which is responsible for your municipal services, was to provide them in such an inadequate way as to cause harm to its locals. I am asking for an independent report. I asked for that today—just to let you know—to find out what the standards are and what the state of such services is, considering that at the moment I believe the Commonwealth pays to Tangentyere $1.3-something million per year to undertake its municipal services; but it is not the only one. So I want all of those communities looked at because it is part of our overall package of trying to normalise services and increase and improve the services.

I never got the chance to clear the issue up for you earlier today, but the member for Jagajaga made the statement that it had taken considerable time to make that offer. That in fact is totally incorrect. We made an offer of $30 million which was going to upgrade the town camps to what I subsequently learnt would be a second-grade standard. We were utilising Connecting Neighbours money, and I learnt that that would mean you would have a cul-de-sac—called Abbott’s Camp, for argument’s sake—literally in the heart of Alice Springs. Its municipal services, its power and water supply, would not be as underground as far as they were down the road, which, of course, raises other issues. If any of us are serious about ensuring that we treat everyone equally, you do not have a second-class system for Indigenous people. Hence the further injection of funds—and you can see the magnitude of it—to be able to achieve an equitable level of service provision for all of those town camps, as is required everywhere else in Alice Springs. That allows for everything else to flow from it, including appropriate public housing and public housing tenant arrangements.

Ms MACKLIN (Jagajaga) (4.37 pm)—As I understand it, though, you changed the offer to Tangentyere Council on 18 April by no longer requiring that people relinquish their entire lease. You actually ceded to their request that that they move to sublease just the residential areas to the Northern Territory government. That was the point that I was trying to make—that in fact this was a very late change and obviously a significant one because one of their concerns was having to give up the entire lease. So I do think that 18 April was very late in the piece, and it was at that point that you gave people a month to respond. I ask the minister: why in his opinion was he unable to get agreement with the council? What does he believe was the impediment to getting a negotiated outcome? What does the minister understand to be the problem that has not been able to be negotiated?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.38 pm)—On the first issue, that was a request of theirs that had come up from earlier negotiations and, yes, we
did change and agree to their appropriately maintaining the underlying title, which means no-one relinquishes their rights to that land and what is going to happen to it at all. So that should not have been an impediment to a decision-making process; it should have actually sped it up. In relation to the second question, it is just a question that you would have to put to the people of Tangentyere. You get very conflicting advice back from different parts of the organisation and different individuals, so I would be simply speculating on the real reasons that underlie that decision.

Through my private conversations with senior members of the Northern Territory government, I know that they were confused. They were sure that a deal had been entered into, or was going to be, and that the majority of people agreed and then at the last minute it did not happen. We will wait and see what occurs and whether the Territory government can do it—at the end of the day, this is not the Commonwealth doing it; it is the Territory government, but we are providing the funds. They have as much interest as we do in trying to get an outcome on this, so I hope that they can overcome whatever objections are there. I left it open to the Chief Minister, expressing my willingness to talk to her at any stage in trying to move this forward.

Ms MACKLIN (Jagajaga) (4.40 pm)—Does that mean that the money that is being offered, the $60 million, is still available—that it has not in fact been moved and allocated to another community? One community that the minister suggested it may be moved to was Halls Creek. Am I right to understand from the statements he has just made that the $60 million is still there if the Northern Territory government can get agreement with the council?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.41 pm)—We have made that position very clear. It was never going to Halls Creek. At a meeting at Halls Creek with Minister Roberts from the Western Australian government she had told me at that point that they were keen to put new money, additional money, on the table for Indigenous affairs. I think that is part of my duty: to be able to leverage other state governments and territory governments to put more into this particular area, with real reform. That is one avenue that is being explored. Another avenue that is being explored is in the Territory. We have had favourable responses from communities that wish to participate in trying to improve their lot, and we will continue to have discussions with them. I will not make those communities known publicly at this point until such time as they wish that to happen; I think that is reasonable.

The offer that I have left on the table is that we would not walk away from Alice Springs. I cannot guarantee $60 million, because that means I will sit on my hands with that money, on a hope and a prayer that one day someone will see sense about what needs to occur. If that is never to happen, we would probably be back here next year—if you were in that place and I was in this—with you asking: ‘Are you rolling over money again? Why haven’t you expended this money when it has been sitting there and there are other needy communities?’ So that is a judgement call that I as the minister have made.

Ms MACKLIN (Jagajaga) (4.42 pm)—But it is still there at the moment. I take it that that is what you are saying. Could the minister tell us where that money actually comes from? He mentioned that the original offer of $30 million was coming from Connecting Neighbours money. Where is the $60 million coming from?
Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.43 pm)—Connecting Neighbours is all part of CHIP. It is all CHIP money.

Ms MACKLIN (Jagajaga) (4.43 pm)—So the $60 million is as well? I know that the member for Sydney is here, so we will move on to the Human Services area. Before I do that, in relation to another area of the minister’s responsibilities, disability funding, I am obviously aware of the negotiations which have been taking place—or not taking place, as may be the case—with the states and territories. Could the minister let me know what funding has been provided in the interim agreement? I understand an interim agreement has been entered into up until the end of this year. Is that correct?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.44 pm)—There are two things. First of all, as I indicated to the parliament yesterday, the ACT has put an offer on the table and we are now considering that. I wrote to all states and territories earlier this month and confirmed for them that the Commonwealth will continue to fund the Commonwealth/State-Territory Disability Agreement at its current rate, including indexation, up to—I say ‘up to’ and not ‘until’—31 December. Hopefully there will be a multilateral agreement before then so that the new agreement can come into place. In the event that negotiations stop altogether, then obviously that is there. That is the interim measure that has been put into place: continuation of the same level of funding, including indexation, through to the end of this calendar year.

Ms MACKLIN (Jagajaga) (4.45 pm)—Just on the same issue, was there actually any increase in funding over and above the indexation provided for the next agreement? I understand that is just a continuation but, in the offer that was made to the states and territories, was there actually any increase above normal indexation?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.45 pm)—Yes, there was. There was an open cheque available to all of them to take up, which is better than an increase in indexation or any five per cent. It was a case of saying, ‘You come back to us about meeting unmet need.’ Whilst the CSTDA is an 80-20 split in round figures—80 per cent state and 20 per cent Commonwealth—and has been since 1991, we are prepared to pick up 50 per cent, which is exactly what Minister Della Bosca from the New South Wales Labor government had asked us to do in a letter to me in March of this year when he was representing all ministers, before he changed portfolios. That was the offer that was put on the table and that is the one that only the ACT has picked up. We will have a look at how much that is and whether we can do it, and you can extrapolate from that the percentage increases. That was real additional new money, but only on the basis that people would actually come up with new targets for unmet need that would be met.

Ms MACKLIN (Jagajaga) (4.46 pm)—As I understand it, the minister had an actual deadline of 8 June for the states and territories to get back to him. Obviously, that has passed. Is that offer that he has just outlined still on the table?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.46 pm)—The day that they sent me that letter was 7 May. I wrote back the next day, 8 May, saying how disap-
pointed I was in their attitude, their capacity to identify the need and their capability or other-
wise to find new money, considering that all but New South Wales had brought their budgets
down in that time and one would have thought that they would have looked at their position in
great detail. None of them undertook to put that into their budgets. I think that is a crying
shame. However, I asked them in that letter dated 8 May to come back to me as soon as prac-
ticable with a detailed and complete breakdown of what they intend to fund, how they intend
to fund it and what funding they require from the Commonwealth government. So I await
their advice.

Proposed expenditure agreed to.

Department of Human Services
Proposed expenditure, $1,997,077,000.

Ms PLIBERSEK (Sydney) (4.48 pm)—I want to ask the minister a little bit about the an-
nouncement last week at the 2007 smartcard forum made by the minister on whose behalf he
is here today that the access card project that the government has proposed will in fact be sub-
stantially delayed. It was not really clear from the minister’s proposal what his intentions are
in this area. I think he said something like it was possible that there would be no legislation
introduced at all this year. I would like the acting minister to tell us what will happen to the
$1.1 billion that has been allocated over the forward estimates for the access card. What is
going to happen if there is no legislation introduced this year? Can you tell us what effect that
has on the spending proposed for the access card?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous
Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.49 pm)—I thank
the member for Sydney. There are two things. The minister, Senator Ellison, last week an-
nounced that an exposure draft of the access card bill would be released for public comment
during the June 2007 winter sitting period and that has not changed. Australians will be able
to comment on the proposed access card bill during the consultation period. He sees it as a
very positive opportunity to consult more widely. He will be announcing details of the consul-
tation arrangements once the exposure draft is released. In relation to the budget money, it is
there and the government is still intending to do it, so it is an allocation against that expendi-
ture. I think that should answer your question.

Ms PLIBERSEK (Sydney) (4.50 pm)—It answers my question, but it probably does not
satisfy a number of the companies that have tendered for work in this area. There have been, it
seems, a number of complaints from suppliers who have accused the Department of Human
Services of expecting them to put in bids that cost them millions of dollars to produce in the
first instance without really having nailed down what this smartcard is going to look like and
whether you are going to get the support of the parliament to actually introduce it. Now it
seems that this delay may be an indefinite delay. Indeed, if there is an intervening election, the
project may not proceed at all. Can you tell us why we are in a situation now where an expo-
sure draft is being released after companies have spent millions of dollars? Why was this
more detailed consultation not done before these companies were asked to invest millions of
dollars in preparing their bids?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous
Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.51 pm)—Two
tenders have been called to date—card insurance, and management and systems integration.
These tenders have now closed and have been evaluated by the department. I am advised that the department met with the tenderers today to reassure them of the process and to take any advice et cetera from them so they know where it is going.

The minister has previously indicated that no major access card contracts will be signed until after the passage of the legislation and that remains his position. Of course, it is the prerogative of any incoming government to change that, if there is no contract in place—obviously if there are contracts in place then there are issues of contract and, obviously, liability if someone’s contracts are torn up. But that is the prerogative of an incoming government, so I could not comment on that.

The minister is cognisant of the fact that potential delays in the passage of legislation may result in revised time frames for the procurement and that is something that the department spoke to the tenderers about today.

Ms PLIBERSEK (Sydney) (4.53 pm)—Is it the case that in the meantime those tenderers are prevented from bidding for other business because of the onerous confidentiality provisions that are included in this bidding process? Have they been or are they prevented in any way from bidding for other government work? Have they been sent letters warning them that, if they should complain about this in the media or indeed talk about these provisions in the media, that would cause them to be thrown off the short list of companies being considered?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.53 pm)—I could not comment on the second one; I simply do not know. But I would say to you that, if there are any issues around their capacity to tender for other business, that is something they can take up directly with the department. This is a very large project—$1.1 billion—and probity is very important. Of course, you would not want to compromise that and have it dragged through the courts inappropriately, through inadvertently providing information or doing something outside of that. So I am sure that they are following all the due processes in making sure that this particular process is protected, in the interests of all Australian taxpayers.

Ms PLIBERSEK (Sydney) (4.54 pm)—It is a bit of a problem if they cannot bid for other business at the same time, though. Would you be able to check that and get back to us? Can you tell us what proportion of the Department of Human Services budget for the next four years is for the Office of Access Card and whether this delay—the release of the exposure draft rather than actual legislation being introduced—is actually going to see that share of the Department of Human Services budget reduced—the share that is taken up by the Office of Access Card? Is that money just going to be saved for later use or is it being redirected within the Department of Human Services budget to other causes or other measures?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.55 pm)—The officials are attempting to find that for you. You know that the department’s portfolio responsibility is also across the Child Support Agency, so it is not that easy to get the breakdown percentage that you are after. I missed your first word—you want a proportion of it, whether it will increase or change; something to that effect?

Ms PLIBERSEK (Sydney) (4.55 pm)—What will the delays mean in terms of the budget of the whole department?
Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.55 pm)—As a proportion I certainly could not say. Like anything, if you have delays you have the potential, but that is all it is at this stage—the potential for there to be an increase. Like anything, it has the potential to increase. On the other hand, you might find that technologies improve as well, so I could not say categorically. All the budget papers are a breakdown in your expected costs and your expected expenditure in running departments and running programs et cetera. So that is what we have budgeted for at this stage, and no doubt there will be contingencies within the budget portfolios for various matters. I will just see if I have anything else for you—about 80 per cent of the cost is for the access card, $480 million out of about $580 million.

Ms HALL (Shortland) (4.57 pm)—To the minister, the people of the Hunter and the Central Coast appreciate the quick response to the storms that occurred in that area over the long weekend. I have got a couple of questions that I need answered on behalf of constituents. One of them goes to a media interview by the Prime Minister where he said that people without power for 48 hours would be eligible for assistance. We have since received conflicting information that it is 14 days and we have searched the website trying to find details of the period of time that people need to be without power and we have not been able to access it.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (4.58 pm)—I am not quite sure that you have got the PM’s words right—and I am not trying to be funny here. I think you will find that he said ‘uninhabitable for 48 hours’. What we are trying to do is bring this in line with what we have done for Cyclone Larry and other disasters. The normal circumstances are if you are without power for 14 days. I am not doing that. In fact, I have instructed my department to tell Centrelink that without power—or if that is the only issue—it is seven days. However, because obviously this is not Far North Queensland, I am aware of the issue that you are raising. If, for argument’s sake, it is without sewerage et cetera, a house is uninhabitable for 48 hours. So 48 hours stands—14 days is what was applied apparently in Far North Queensland. I think it is inappropriate, given the conditions down here, and we have said if that is the only issue it is seven days. But if there are a multitude of things which would make a house uninhabitable then clearly it needs to be shorter periods of time, and that is where the 48 hours apply. That is what we are asking Centrelink to be mindful of.

Ms MACKLIN (Jagajaga) (4.59 pm)—On that issue, could you point us to where that instruction is. Obviously a number of people are very concerned about these matters and we have been trying to find out where the changes to the 14-day rule are. Could you tell us where we can find what seems now to be a seven-day rule?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.00 pm)—It has come to my attention only today, via one of the local members. Obviously it is an issue that has been raised with a number of local members. We are trying to ensure that Centrelink acts in good faith. It is acting on what has been the standard to date, which was 14 days. I have said: ‘No; that is inappropriate. We are in winter in southern Australia and other issues are obviously pertinent here.’ Having lived in Singleton, I am only too well aware of the weather at this time of year.
Ms HALL (Shortland) (5.00 pm)—As I stand here, I have a number of constituents who still do not have electricity. What happens where there is an electricity issue, where there is an issue of being without water for a day and where there is an issue of sewage filling the yards? The person may have been away from their home only for a short period, but they are in a situation where they have lost freezers full of food and they have had washing machines and breadmakers blow up because of the flooding. Because of the sewage and the lack of electricity they have lost washing machines, refrigerators and cars, and some of these people are not insured. I would be interested in any comment you might like to make in relation to the seven-day rule and in relation to my constituents.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.01 pm)—As you can appreciate, I cannot give a running commentary on everyone’s circumstances.

Ms Hall—No, I am not asking you to.

Mr BROUGH—The rule is 48 hours.

Ms Hall—I am trying to link it to a multitude of—

Mr BROUGH—I understand. I am trying to say that ‘48 hours uninhabitable’ is the guideline. You have to have guidelines somewhere. The Centrelink officers are trying to do the best they possibly can to be fair and equitable to everybody. We are very aware that some people do not have insurance. This is not an issue of, ‘You haven’t got insurance, therefore …’ We are well aware that people have lost the food in their fridges et cetera—all of those things. We also try to have equitable circumstances with other natural disasters. Hence, we have lowered the conditions relating to loss of electricity. We are in winter and we are in New South Wales; we are not in Far North Queensland. As the responsible minister I will continue to monitor this, so if particular things come up where we find that Centrelink, through good faith, does not respond in a way which we think is reasonable then I would be only too open to looking at those circumstances. This is about trying to meet people’s needs in very challenging and difficult circumstances but also about not going so far as to find some people doing the wrong thing, obviously, when others are so desperately in need.

Ms HALL (Shortland) (5.03 pm)—I have one follow-on question, which is to do with multiple utility losses. I was trying to raise with you, Minister, the case where electricity is gone for seven days but there are multiple utility losses, if you would like to make a comment.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.03 pm)—It is just that 48-hours thing. Generally having a multitude will qualify, but it is a matter of it being uninhabitable for 48 hours. So it is loss of sewerage, loss of power, loss of water, water inundation—any of those things. It is not just the one-off; it is like a menu. Those things can add up to uninhabitability.

Ms MACKLIN (Jagajaga) (5.03 pm)—I have a couple of quick questions, Minister, on another issue. The minister would be aware that Centrelink normally processes all real estate reviews to make sure that people who are entitled to the pension have a proper pension assets test assessment. As I understand it, Centrelink seems to have stopped its real estate review schedule for 2007. Could the minister confirm whether that is the case? Could he also let me

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know how many reviews have already occurred this year and, if they have stopped, why they have stopped?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.04 pm)—I do not have that information to hand, I am sorry.

Ms MACKLIN (Jagajaga) (5.04 pm)—Will the minister please let me know if they have stopped, why they have stopped and how many reviews have been done so far this calendar year?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.05 pm)—I will certainly pass it on to the minister.

Mr BRENDAN O’CONNOR (Gorton) (5.05 pm)—I rise to ask a question of Minister Brough, the Minister representing the Minister for Human Services, Senator Ellison, in relation to a request by me, on behalf of the constituents of the electorate of Gorton, for a Medicare office in the electorate. The fact is that there was a Medicare office in the electorate, in Deer Park, but it was closed down some years ago. Gorton is the second fastest growing electorate in Victoria. It has two growth corridors along the Calder Highway and the Western Highway, and so the growth has been exponential in a very short space of time. Rather than seeing more government services in this particular area, we have seen fewer, along with the closure of the Deer Park Medicare office.

I approached a large proportion of my constituents and tabled only two weeks ago in the House of Representatives a petition of 4,000 petitioners who are seeking the government’s agreement for a Medicare office. I also wrote to Minister Ellison with respect to this matter and about a month ago I received a letter from the minister indicating that there was some electronic software that was useful—and I do not deny that that would be of some use to my constituents. He went on to say in a part of his letter: ‘The electronic Medicare initiative means establishing a Medicare office in Watergardens shopping centre’—which is the largest commercial area of the electorate—or in the electorate of Gorton would not be necessary. The new initiative would also mean no queues for claiming rebates.’

Minister, I firstly draw your attention to the fact that there are over 70 Medicare offices in Victoria, none of which are in my electorate. And, as I said, I was wondering if the minister could investigate why there wouldn’t be reason for a Medicare office to be in such a fast-growing electorate?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.07 pm)—Just to explain the software, Easyclaim will basically mean you will have a Medicare office in every doctor’s surgery. This is something we have been pursuing for some time and it is being rolled out from later this year. It is electronically done in the surgery. I presume your electorate is like mine, where some doctors require everyone to pay up-front and then go to the Medicare office; others take part of the payment and get the rest later. This software will mean that those claims can be processed right there and then electronically, and it will roll out. If we did not have that, I would fully support your request to have a Medicare office, but I think your constituents will find—presuming that that starts to come into play later this year in your elec-
torate and, if not, certainly early next year, well before we could actually get a Medicare office locked in—that their needs will be more than adequately met. In fact, a superior service is what it turns out to be, and it is because the doctor’s surgeries are now working with the Commonwealth to make this a reality.

Mr BRENDAN O’CONNOR (Gorton) (5.08 pm)—Would the minister indicate to me whether in fact all constituents who would be claiming a rebate would be able to receive a rebate using that type of technology; and would they require credit cards or other forms of payments that many constituents in my electorate would not currently have?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.09 pm)—They will be able to do so at any doctor’s surgery that has the EFTPOS system. There are any number of ways in which people would be able to access that, whether it is through credit cards or any sort of electronic banking whatsoever. I think you will find that the overwhelming majority of your constituents will not have an issue with it, because my understanding is that there are a plethora of different things that they will be able to use to access this.

Mr BRENDAN O’CONNOR (Gorton) (5.09 pm)—Can I gather from that answer and the previous answer, Minister, that because of that software there would be no need for an office in Gorton? Would that mean that the government would be looking to close all offices in Victoria or across the country?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.10 pm)—Not being the minister responsible, I could not comment. It might be best if I ask the minister to give you a more detailed explanation for your constituents, a practical thing that will say what they would need to be able to integrate and work with this. I have confirmation from the officials that there has been a commitment that there will be no closing of Medicare offices anywhere, particularly in Victoria.

Mr BRENDAN O’CONNOR (Gorton) (5.10 pm)—One other matter, which I am sure is very critical to many parents, is in relation to the carer adjustment payment that is under review. Indeed, there is currently consideration as to how parents would be eligible for the payment. As I understand it, the payment is an interim ex gratia payment that the government is offering while a wide-ranging review is underway, and the review is examining eligibility for carer payments and the payments affected in providing a safety net for carers of children with a severe disability. There was a very positive story—and I am happy to say it was a positive story—about a difficult situation for parents who are looking after their four-year-old child who is quite severely disabled and is indeed eligible for this payment. It was in the Herald Sun only some months ago. It indicated that the Prime Minister announced that Tyler Fishlock, who is the young lad who is a cancer survivor, was a recipient of the payment. I have had a series of constituents contact my office who find themselves in a very similar position to that of the Fishlock family. Firstly, I was wondering how long the review will go. Some of these families have contacted the department by way of phone, but they are not sure whether they would be eligible or not. Because the matter is under review they do not know whether they will ever be eligible. But so far it has been very difficult to explain why their position is so distinctly different from that very difficult case for the Fishlock family. I was wondering

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whether the minister could comment on how the review is going and whether I can give some certainty to the families who are in what I would argue is a similar situation.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.12 pm)—Yes, this is a very emotive and very challenging area. What the money is for is an adjustment, and it is for children under the age of six. It is carer payment (child). There are two separate issues to be clear on. One is the review, which has nothing to do directly per se with the ex gratia payments. It is a review that had already been announced. It will run through this year and report either late this year or early next year. This is not the first time we have done it in government, and no doubt subsequent governments will do this as well. Clearly every baby is totally dependent upon their parents or their carers; hence you have that difficult circumstance where for someone with a disability there is no more or less care at that early age. Quite often you have genetic issues which do not manifest themselves for a couple of years.

We have actually struggled to get the parameters around this to make it work—the Fishlock circumstances—to explain. We now have the documentation out. It should have gone out on 8 June for anyone who had already lodged. So, if your constituents contact Centrelink, they should not bother themselves with whether or not they are eligible; they should fill out that application and put it in. There is an independent body that is evaluating every case. It is up to $10,000, it is for children aged under six and it is an adjustment package.

Going to the Tyler Fishlock circumstances, the poor fellow had cancer in one eye and then the other and found himself blind. It is fantastic that he is alive—in fact, when I rang his home he answered the phone! That is a good thing. But there is a big adjustment for a family and this money is aimed at trying to assist people during that adjustment. It is up to $10,000, so we will not make judgements here; we will ask people to do that. Where this interplays with the longer review is that, when the review is complete, the interim payment will be re-evaluated at that point as to whether it should go forward or not. This is an interim to fill in until that work has been completed. I hope that helps, but they should contact Centrelink; the documents are now available.

Mr GEORGANAS (Hindmarsh) (5.15 pm)—My question is to the minister, through the human services minister. I do not know if the minister is aware of recent reports about people with profound disabilities who have no prospect of getting better or being able to work being asked to fill in certain forms through Centrelink. We have had certain issues in my electorate, where constituents who have profound disabilities have been coming to see us. Their disabilities are such that they will never, ever get better—they were born with these disabilities—yet they were given such a torrid time through Centrelink in terms of completing forms, being asked for doctors’ reports and continuously being asked to fill in more and more forms.

One particular constituent had a child who had just turned 16 who needed to go on a disability support pension. Centrelink had all the information—all the medical records—yet the parents were asked to produce every bit of medical record that existed on this child from the day they were born. They were so frustrated with their dealings with Centrelink. Centrelink basically said to them: ‘Look, we can’t change this. This is what’s required. If you want this changed, it’s a legislative matter so go and see your MP.’ They came to see me and I got on to the minister’s office. I must put on the record that Minister Ellison’s office was very helpful and fixed the issue immediately. Within 24 hours it was sorted. The minister’s office told me
that this should not have been the case—that, in this particular case, it could have been fast-tracked and it could have been fixed.

These people went through everything possible and Centrelink was constantly telling them that the only way they could do it differently was to go and see their MP so that we could do something in this House to change the legislation. If that was a one-off case, I would be ambivalent about it, but I have another seven cases here exactly the same, where they have been told to come and see their MP. All of them are in the same sort of situation. It is someone with a profound disability that is never going to get better, yet, again, Centrelink are asking for records that they already have. The question I am asking is: how many times will people with profound disabilities who will never get better—and we are aware of it—be asked to fill in forms and constantly be asked for records? If the case is that they do not have to, why are we getting people in the electorate office being sent to us by Centrelink, telling them that they have exhausted all avenues and need to speak to their MP?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.18 pm)—I cannot, to be honest, give you an adequate answer to that off the top of my head. I would like to see the seven so that we can take them up and find out if there is a systemic issue in an office or whether it is broader. If it is, then we would bring that to Senator Ellison’s attention to deal with. As you said, his staff are very professional and are trying to deal with these sorts of issues. When you are dealing with 600,000-odd people with disability pensions these days, things can and often do go awry. You do have to be aware that we are trying to protect the public purse but to do it in such a way as to be sensitive. Sometimes that balance, as you have indicated—and luckily Senator Ellison’s office was able to fix it—is not always where it should be. We would always take those issues up. If they are more systemic, we will see what we can do to deal with them.

Mr GEORGANAS (Hindmarsh) (5.19 pm)—I have another question for the minister, through the human service minister. It is a different matter. This is about the social security agreements between Australia and Greece that were signed a couple of weeks ago. There is a bit of a grey area about when this will take effect. I believe that it has to be—

Ms Plibersek—You’re too young for it, don’t worry.

Mr GEORGANAS—I have 10,000 constituents in my electorate that have been asking me about it. It was reported in one of the papers that it will take effect when it is passed through the Greek parliament. I suppose the question I have is: what happens if it does not get passed through the Greek parliament? Secondly, what will be Centrelink’s requirements of Australian citizens who left perhaps many years ago and who have absolutely no records? Some of them left the country after World War II and do not have birth certificates. Will there be any requirements upon them to prove that there are no entitlements that they can get, and where do they get this information when there is no record of them even existing in Greece many years ago?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.20 pm)—I think the questions you raise are good ones and are probably why it has taken since, I think, 1986 to negotiate this. Since I was the minister who signed it, I will take full responsibility! I wish that were true. It has been great that they have got to this agreement. There are still a range of
things that have to be gone through—ratification et cetera. I think 1 January 2009 is the date for its introduction. I will get the officials to give you a full run-down on how it applies to people before and after returning both ways. The very real issue that you raise about displaced people not having papers is an ongoing one, and we would have to be sensitive to that. I do not know the answer as to how you can physically address someone’s issues if there is no way of assuring yourself that what they are saying is in fact accurate. But let us have a look at that and come back to you. We have a little time to work on it and to try to get some proper answers.

Ms PLIBERSEK (Sydney) (5.21 pm)—I know that the minister needs to leave, so I will bundle my two questions into one. In the portfolio budget statements for the Department of Human Services there is an increase in intangibles from $1.6 million in 2006-07 to $86 million in 2007-08. In budget estimates it was revealed by the departmental officials that it was due to the access card. Can you tell us whether these access card intangibles will still be spent, despite the fact that the exposure draft process is now delaying the whole thing? Can you give us an idea of what those intangibles actually relate to?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.22 pm)—The provision has been made for ‘if required’. That is all we can say at this stage.

Ms PLIBERSEK (Sydney) (5.22 pm)—There are 18 people working in the access card communications unit, while there are only eight in the communications unit for the whole department. That is more than double. What have they been doing?

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.22 pm)—On behalf of the minister, I will take that on notice.

Proposed expenditure agreed to.

Department of Communications, Information Technology and the Arts

Proposed expenditure, $2,750,313,000.

Ms ANNETTE ELLIS (Canberra) (5.24 pm)—With respect, Mr Deputy Speaker Haase, I was expecting the minister to be in the chamber at the time of this debate.

The DEPUTY SPEAKER (Mr Haase)—I believe the minister was very happy to have members of the department take note of the speeches and address them at the conclusion of those opposition speeches.

Ms ANNETTE ELLIS (Canberra) (5.24 pm)—In that case, I am sure I have something to say on communications, information technology and the arts. I am slightly astonished with this arrangement. I am happy that members from the bureaucracy are here, but I find it extraordinary that the minister is not. Any contribution that we make from this side of the Committee in this area, I think, should be heard by the minister, with the greatest of respect. I want to put on record my astonishment that the minister may not be prepared to be here for this debate.

Mr Slipper—Mr Deputy Speaker, I rise on a point of order. The minister obviously can read the Hansard but, having said that, I did contact the whip and I understand the minister is running late and, on behalf of the government, I apologise for the minister not being here. The minister will be here, I understand, as soon as possible.
The DEPUTY SPEAKER—By way of explanation, the minister will be here shortly. The previous minister of course has left—that is blatantly obvious. The list of speakers from the opposition has been exhausted. I have no choice but to shut down the Main Committee in the absence of the minister. So I believe that the department would be very happy to take details of speeches from the opposition speakers, and the minister will answer all of those questions in the summing-up at the expiry of time for this debate.

Ms ANNETTE ELLIS—I thank you very much for your indulgence and I take note of the colleague opposite mentioning that the minister is not here. I just want to make the point, without labouring it too much, that in this particular part of the debate on appropriations it is most appropriate for members of the opposition to be able to not only debate them but ask questions of the minister and then respond to those answers. It is very difficult to do that when the minister is not here. We respect the fact that he is not here, but it does not help open debate, which is what we have just had with the previous minister.

Mr Slipper—The minister is now here.

Ms ANNETTE ELLIS—There he is.

The DEPUTY SPEAKER—We would accept that it is suboptimal.

Ms OWENS (Parramatta) (5.26 pm)—Earlier this year the House of Representatives Standing Committee on Communications, Information Technology and the Arts bought down a report titled Community television—options for digital broadcasting. It recommended a range of initiatives to smooth the transition for community television from the current analog broadcasting system to digital. There were 12 recommendations in all, but they included, perhaps most importantly, a recommendation for the provision of additional funding to smooth the transition and a series of options for ensuring that they had access to the digital spectrum as soon as possible to allow them to simulcast. In all of the submissions that we received from community television there was a recurring theme, which was that, as members of the general public—members of their audience—transferred from analog to digital in their homes, they lost access to the signal from the community television station. So what was obviously happening and what will continue to happen is that, as people move from analog to digital, community television effectively loses its market. The view was that the situation is now so dire that, unless access to spectrum is granted within a very short time frame, community television will effectively cease to exist.

In the most recent budget, the government allocated $10.1 million to help community radio upgrade and it has previously given funding to the ABC and SBS and the regional commercial TV networks for conversion to digital, but there was still nothing in the budget to assist community television to move from analog to digital. That lack of action moved one of the community television presenters from Channel 31 in Melbourne to remark:

With the Government trying to get more viewers to convert to digital, it almost seems as if they are actively trying to drive viewers away from watching community television … We call upon this Government … to reassure the station and community television sector that they are not being left to die.

What was the rationale for not including support for the transition to digital broadcasting for community television in the budget, and what action does the minister intend to take to facilitate the transition of community television from analog to digital in a timely manner?
Mr McGauran (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.29 pm)—I thank the member for Parramatta for her question and her interest in this subject. It may be that she is putting the cart before the horse. We want to do this in a very considered way, and for that reason the government has established, within the Department of Communications, Information Technology and the Arts, Digital Australia to coordinate and oversee Australia’s transition to digital television.

Digital Australia positions have been advertised. The time for applying has closed and officers for Digital Australia are now being considered. Digital Australia will be located in Sydney. Its establishment is well underway. Digital Australia will educate Australians on the benefits of digital television in order to accelerate take-up and inform consumers about the need and the ways to convert to digital transmission as switchover approaches.

Importantly, and directly in response to the honourable member’s question, Digital Australia will identify sections of the community which may have special needs and coordinate efforts to meet those needs. Consequently, Digital Australia will consider all of the issues surrounding the diverse interests of the industry in the switchover process, including broadcasters, receiver importers, antenna installers, retailers—all will be called upon to participate.

Consequently, the government has the issue of community television under active consideration. It will take advice from bodies such as Digital Australia, which will be a focal point for providing both technical and policy advice. The Minister for Communications, Information Technology and the Arts has not yet reached a final position, as the minister did in regard to digital radio. As the member has said, the minister allocated $10½ million for community broadcasters to participate in digital radio. However, the position of TV community broadcasters is front and centre of the government’s thinking and the matters are under active consideration.

Ms Owens (Parramatta) (5.32 pm)—Thank you for informing me about Digital Australia. While they are educating consumers, informing consumers, identifying sectors and undertaking that research, the amount of spectrum available to digital television is of course shrinking year by year. What spectrum does the minister consider might be available for community television at the end of this process?

Mr McGauran (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.32 pm)—I would have to take advice on that matter and undertake to do so.

Mr Albanese (Grayndler) (5.32 pm)—Can I ask the minister to indicate whether there is any unspent or uncommitted money under the Australian Broadband Guarantee? If so, how much money remains unspent or uncommitted? Can the minister please indicate whether any unspent amounts will lapse at the end of the financial year or be reallocated across the forward estimates? Why is it that these underspends have occurred?

Mr McGauran (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.33 pm)—My reply to the honourable member is along the lines that I do not carry that information around in my head. It is not directly related to the budgetary papers. Instead, I will consult the program area to get the exact dollar figure that the member is rightly entitled to.

Mr Albanese (Grayndler) (5.33 pm)—I am surprised that a question that goes to financial underspends and uncommitting and whether money will be carried over across the for-
ward estimates is regarded by the minister as not related to the appropriation and budget processes. I would have thought that that was exactly what these processes were for.

Mr Slipper—You ask the questions and he gives the answers.

Mr ALBANESE—My concern is that I am asking the questions but not getting answers. Can I also ask the minister whether the cabinet has finalised an announcement on the $600 million Broadband Connect program to supply broadband to rural and regional areas? How will the program be funded? Can the minister outline the forward estimates for the $600 million Broadband Connect program?

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.34 pm)—I am a little bit disappointed in the member for Grayndler’s preamble or observations prior to his last question. I think we are splitting hairs here. He did ask me about an underspend, and I am sure if I trawl through the minutiae of the budget papers in all of their extensiveness then I probably could come upon it. I simply do not have the capacity to do so, but I will ensure that somebody goes to the trouble and effort that the member for Grayndler requires. What I can say about the Australian Broadband Guarantee and the establishment of the broadband black spot program is that $30.1 million will be provided in 2006-07 and $112.4 million in 2007-08 to provide subsidised internet access for Australians currently unable to gain a metropolitan comparable level of broadband service at their principal place of residence or small business.

Mr Albanese interjecting—

Mr McGAURAN—If the honourable member knew the answer before he posed the question then perhaps he could have saved us both a bit of time. This measure includes the reallocation of $26.9 million in 2006-07 and $18.9 million in 2007-08 from the Metropolitan Broadband Connect program. I am glad to be of assistance to the honourable member.

Mr ALBANESE (Grayndler) (5.36 pm)—That information was just read from page 95 of the Australian Broadband Guarantee document and did not go to the question which I asked—which was about the $600 million Broadband Connect program. Can the minister confirm that this has been approved by the cabinet? How will the program be funded? Will the minister outline the forward estimates for this program?

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.36 pm)—I will endeavour to be helpful to the member for Grayndler, but I am sure he knows as well as I do, and as do most members of this House, that the government has not yet announced the successful tender for the $600 million broadband program which the member refers to. However, he will not be kept in suspense for all that much longer; and I know he will be as supportive of the program as we are.

Mr ALBANESE (Grayndler) (5.37 pm)—In the hope of getting answers to some questions out of this process, I note that the government has shown a willingness to support the rollout of a fibre-to-the-node broadband network in the five biggest Australian capital cities whilst at the same time it is arguing that the rest of the country should make do with an undefined mix of technologies. Can the minister confirm the value of subsidies for satellite and wireless broadband in rural and regional Australia? Has analysis been undertaken to assess the cost of investing in fibre infrastructure to deliver true parity of service to rural areas? What is the difference in cost between providing fibre, satellite and wireless broadband infrastructure to ru-
ral areas? If a fibre-to-the-node network is able to provide broadband speeds 50 times greater than wireless networks in rural and regional Australia, does the minister believe this constitutes parity of service?

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.38 pm)—As Minister for Agriculture, Fisheries and Forestry representing the Minister for Communications and Information Technology and the Arts, no, I am not able to answer the specificity of that question. But I will ensure that the minister for communications does so at her earliest convenience.

Mr GARRETT (Kingsford Smith) (5.39 pm)—The merger announced in the budget of the AFC, the FFC and Film Australia comes into effect on 1 July 2008. We have been aware for a number of years that Australia’s film industry has been underperforming. Only last year filmmaker George Miller was reported as ‘feeling despair at what is happening with the Australian film industry’. The AFC’s National survey of feature film and TV drama production 2005-06 found the value of production activity had fallen by one-third from the previous year and the value of foreign features shot in Australia was significantly below the five-year average.

Now the government’s long overdue response has been announced, including the formation of the Australian Screen Authority, could the minister advise what evidence the government has to suggest: the introduction of the new Producer’s Rebate will significantly lessen the call on direct funding from the Authority over time. Could the minister advise what modelling the government has commissioned to back up this claim? Can the minister guarantee funding levels to the various government film agencies will not fall following the merger?

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.40 pm)—I thank the honourable member for Kingsford Smith for his question. I am a little disappointed in the negativity that underpins it because, after all, there has been no recognition by the member of the remarkable injection of taxpayers’ funds into the film industry.

Mr Garrett—That’s not true.

Mr McGAURAN—Not true! The producer rebate will provide a tax rebate of 40 per cent of eligible Australian expenditure to producers of qualifying feature films and a 20 per cent rebate for other eligible formats, principally television. Then there is the improved location rebate, which increases the existing rebate from 12½ per cent to 15 per cent, and of course we have established the new Australian Screen Authority. As far as I am concerned the government, on behalf of its taxpayers, is doing its job and it is about time filmmakers did their job and made films Australians want to see. I have waited a long time to say that. I feel better and I will say more.

Mr GARRETT (Kingsford Smith) (5.41 pm)—This is to ask an ancillary question.

Mr McGauran—I haven’t answered your first one.

Mr GARRETT—No, that’s right. You have confessed it now.

Mr McGauran—So there is no need to repeat it.

The DEPUTY SPEAKER (Mr Haase)—You have, in this form of debate, the opportunity to rise and ask questions for another 30 minutes.
Mr GARRETT—Again I ask the minister: can he guarantee that funding levels to the various government film agencies will not fall following the merger?

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.41 pm)—Again I stress that I am disappointed that the honourable member for Kingsford Smith has not joined in the general acclaim from the film and arts community as to the government’s reform, in which we are taking the film industry on trust. They have alleged, not to the total conviction of some of us in the government, that their failures over the past few years have been because of financial disincentives and constraints. There are some of us who think that the real problem is in the storytelling. But be that as it may, we are about to find out, because the government has funding now in place for which there are no excuses for Australian filmmakers to hide behind. I am not in the habit of making commitments on behalf of ministers without their express authority. What I do know is that the spirit of the government’s injection of tens of millions of new dollars for the film and television industries would see us maintaining support across the board.

Mr GARRETT (Kingsford Smith) (5.43 pm)—Labor certainly did recognise the reforms that were announced in the budget. I have been referring to comments by the minister in relation to there being significantly less call on direct funding from the authority over time. I want to also raise with the minister representing the Minister for Communications, Information Technology and the Arts the issue of film documentaries. The new film package introduced in the budget included a producer rebate, which for documentaries means that producers will be able to apply for a rebate of 20 per cent of qualifying Australian production expenditure. This rebate allows for 40 per cent for feature film producers. However, the government has also stated:

Direct funding will continue to be an important element in Government support mechanisms, as an alternative to support through the taxation system.

The question is: will documentary producers have the capacity to access both the producer rebate and direct funding or will they be restricted to one or the other under the new film package introduced in the budget?

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.44 pm)—The honourable member will be glad to know that funding for the individual agencies will be maintained in 2007-08. Funding for the ASA for 2008-09 and beyond will reflect the progressive uptake of the new producer rebate, which will become the primary source of funding for projects with commercial potential. That is how it should be, given that this is a package of $283 million. It is a complete overhaul of film funding. It introduces a genuine incentive for producers to attract strong investor interest and puts the industry on a more sustainable footing. I believe the government is entirely right—given the injection of $283 million to maintain funding for the next financial year and consider issues from then.

Mr GARRETT (Kingsford Smith) (5.45 pm)—I thank the minister for that answer, which does provide us with some additional information in relation to the budget announcement about film. But I refer the minister again to the question about the specific details of the situation that documentary film producers will face: will they have the capacity to access both the producers rebate and direct funding in this ensuing period, or will they be restricted to one or the other?
Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.45 pm)—The government and I are great supporters of documentary filmmakers. They do it hard; nobody does more important work than documentary filmmakers. Film Australia has an international reputation to be envied. We are very supportive of them. They help shape our culture and tell our stories in unique ways, often with a great deal of insight and courage. It is admittedly a favourite form of filmmaking on my part. I will have to consult the minister herself to get a definitive answer, rather than inadvertently misrepresent her by giving an answer on the run.

Mr GARRETT (Kingsford Smith) (5.46 pm)—I take it from that that the minister will provide an answer to that question following that consultation.

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.46 pm)—Yes.

Mr GARRETT (Kingsford Smith) (5.46 pm)—I refer to the resale royalty scheme issue that is being considered by the Senate committee currently inquiring into Australia’s Indigenous visual arts and crafts sector. In previous budgets it has been clear that a resale royalty scheme would not be accommodated by the government, but the Senate committee heard evidence from numerous witnesses in Canberra, Kununurra, Alice Springs and Darwin—and it is about to bring down its report—that the industry is rife with allegations of unscrupulous conduct by some dealers; fakes and rip-offs; and even, as the minister may be aware, alleged criminal conduct. Minister, given that this budget did neglect the urgent challenges facing the Indigenous arts and crafts sector and that the previous budgets rejected a resale royalty scheme, can you provide us with the evidence which would substantiate the government’s claim that a resale royalty scheme ‘would not provide a meaningful source of income for the majority of Australian artists’? And there I am quoting Senator Kemp from 9 May 2006.

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.47 pm)—In answering this question I think you have to draw a distinction between Indigenous artists and non-Indigenous artists. I think the case for a resale royalty scheme is much stronger for Indigenous artists, who during their own lifetime are not rewarded for the on-selling of their work. It may be that Senator Kemp was referring more to long-departed artists—and it is their estates that benefited because it seems that, apart from a handful of very distinguished living artists, most are rewarded, in monetary terms, for their work after they have departed for that great art studio in the sky.

I have very mixed feelings myself about a resale royalty scheme. It has always been argued by many who are sincere and knowledgeable in the area that it would be a disincentive to purchasing young artists’ work, knowing that when you sell it, if it comes to that, you will lose a percentage of the sale. The studies of the French system are not clear-cut.

In any event, the government wants to wait for the Senate report, which will be a valuable contribution to informing the debate. At the moment in Australia we do not really have a great deal of experience to draw upon. We are looking overseas to other countries’ schemes. We have seen a handful of artists’ estates benefit. But the government is very sympathetic to the position of Indigenous artists, who are suffering the frauds and deceptions that the honourable member refers to.
Mr GARRETT (Kingsford Smith) (5.49 pm)—Again I welcome the thrust of some of the comments that the minister made, particularly in light of his acknowledgement of the significant challenges that Indigenous artists face and the prospects that a resale royalty scheme may or may not provide for them. I refer the minister again to the claim that Senator Kemp made that a resale royalty scheme ‘would not provide a meaningful source of income for the majority of Australian artists’. I ask the minister what the basis of Senator Kemp’s comments was and if in fact evidence provided by Michael Kroger on behalf of the auction houses was taken into account in the minister reaching this conclusion about a resale royalty scheme.

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.50 pm)—I believe that that is a question best put to Senator Kemp, not to Senator Coonan or me. But I hope the honourable member is not making any reflection on Senator Kemp’s capacity to take advice from a variety of sources, including those he knows or people he is friendly with.

Mr Slipper—He was a very good minister.

Mr McGAURAN—He was an outstanding minister; far better than his immediate predecessor, if I may say so, given his success in budgets.

Mr Slipper—Who was that?

Mr McGAURAN—Let us not embarrass him. He is now safely ensconced in agriculture, so we do not have to worry too much. Ministers have to take advice from a great many people. The fact that Mr Michael Kroger is known to Senator Kemp would not have given his views any added weight. It may very well be that the view of Mr Kroger or anyone associated with galleries is a worthwhile view. I suggest the member for Kingsford Smith not by sleight of hand impugn the reputations of either a highly admired and respected minister who did a great deal for the arts or an individual in the private sector properly representing legitimate interests.

Mr GARRETT (Kingsford Smith) (5.51 pm)—I refer to the Australian Business Arts Foundation and the announcement in August 2006 by the government of an additional $1.1 million for the Australian Business Arts Foundation to ‘boost private sector support for the arts and add resources to the visual arts sector’. I refer also to the number of questions placed at estimates concerning additional information about the Australian Business Arts Foundation. In this instance, the funding for the program was 2006-07 and, clearly, it will come to an end this month. My question for the minister is: will ABAF continue to deliver the package to boost private sector support for the arts and add resources to the visual arts sector? If not, will the government ensure an open and transparent tender process?

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.52 pm)—The government’s credentials in the visual arts sector are strong, especially following the Myer inquiry and the increased funding across the board—and I would acknowledge the role that NAVA, the National Association of Visual Arts, played in that several years ago. So the government is not looking to penny-pinch on support for the arts broadly, as evidenced by the massive investment in the arts budgets now.

As to the particulars of the allocation to ABAF of $1.1 million, I cannot say without further advice. You have to be a little careful in the arts, I suppose, as in any area of government administration. A grant for a set period of time can often achieve its objective, and the fact that a
government has approved it once should not be a guarantee that it continues in perpetuity, particularly if there are other priorities or pressing needs that that money could then address. I do not know the particulars of the need for the $1.1 million to ABAF for the private sector involvement with the visual arts. It may have done its job or it may be partly completed and need continuation in one form or another, but I do not think it should be a God-given right for any constituency that a time-limited program continues for ever more.

Mr GARRETT (Kingsford Smith) (5.54 pm)—I thank the minister for that answer, albeit a partial answer, and ask again: given that ABAF funding for this program will be completed by the end of financial year 2007, will it be the government’s intention, endeavour or principle to ensure an open and transparent tender process for a program for the boosting of private sector support for the arts and additional resources to the visual arts sector?

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.54 pm)—I do not know how sincere a question this is because the member for Kingsford Smith did say that this was a matter that had been canvassed at length at estimates, so immediately the alarm bells started ringing. If it was pursued at estimates, it must be because the Labor Party have a political objective in mind. So I think discretion is the better part of valour here and I will take that question on notice.

Mr GARRETT (Kingsford Smith) (5.55 pm)—This question concerns the program Playing Australia. During budget Senate estimates last month, a departmental official confirmed that (a) the number of applications for Playing Australia grants was about on par with the previous round, (b) the Playing Australia committee’s assessment process had been completed and (c) the minister had received the committee’s assessment. However, we note the Minister for the Arts and Sport failed to announce the successful applicants within the month of April, as his website states would normally occur. Minister, on what date did the minister for the arts receive the Playing Australia committee’s recommendations for the previous round of grants and what is the full explanation for the delay in announcing successful applicants?

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.55 pm)—I presume the honourable member knows of the very significant injection of funding into Playing Australia. I think I am safe in saying that in the May 2006 budget we took it from $2½ million or $3 million—do not hold me to the exactness of these figures—to about $4 million. It was a very substantial increase. It was in recognition of the success of the program. Playing Australia is acclaimed by regional and rural audiences across our nation. The government is a strong supporter of Playing Australia. I have no doubt there are good and proper reasons why the minister is still considering the recommendations of the Playing Australia committee. Bear in mind that they are recommendations—and do not read anything into this because I do not know the particulars of the issue the member is raising—and a minister does not blindly accept a recommendation and rubber stamp it. We cannot delegate completely our responsibilities. We can delegate the gathering of information and the sourcing of advice, but a minister has to carefully consider issues and stand by his or her own judgement. There is nothing unusual about a minister wanting to carefully consider recommendations from an advisory body.

Mr GARRETT (Kingsford Smith) (5.57 pm)—Minister, would you seek from the minister for the arts the relevant information in respect of the date on which the minister received the Playing Australia committee’s recommendations for the previous round of grants?
Mr McGauran (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.57 pm)—No, I am not inclined to. I feel that is something the honourable member can pursue in the normal course of his responsibilities. It does not relate to the budgetary matters before us.

Ms Owens (Parramatta) (5.57 pm)—I am returning to the matter of community television. I appreciate that it is in the forefront of your mind. You might know that, at this point in the allocation of spectrum for digital television, the only options remaining are for a licence for channel A, which is the narrowcast digital channel which is due to be auctioned this year, or must-carry provisions on SBS or ABC, both of which would be likely to have budgetary implications, which, of course, were not in the budget. Minister, given that channel A is due to be auctioned this year and Digital Australia, which will make recommendations on this, is still being set up and has a whole consultative process to go through, will the auctioning of channel A be delayed until some decision is made on the future of community television?

Mr McGauran (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.58 pm)—I thank the honourable member for her question. The sequence of events here, as she well knows, is that legislation was passed in October last year to allocate two channels on the broadcasting spectrum for new digital services. Channel A will enable new free-to-air, in-home digital television services. Channel B can be used for a wider range of services, potentially including mobile and television services. Neither channel will be permitted to be used for traditional commercial television or in-home subscription broadcasting services because we believe that these channels should be used to offer new and innovative digital services to consumers.

Channel B will be subject to an access regime to prevent the possibility of holders of channel B licences monopolising the limited transition capacity on channel B. ACMA will allocate the channels and the ACCC will also be involved in the allocation process, and in the monitoring and enforcement of competition related obligations placed on the licence holders. The channels are expected to be allocated this year and new services are anticipated to commence by 2008. ACMA and ACCC have both undertaken public consultation processes on their respective roles in the allocation of the channels. The outcomes of these consultation processes are assisting ACMA, the ACCC and the government to determine the most appropriate processes and conditions for allocating A and B—in other words, a final decision on the allocation system is yet to be reached.

Ms Owens (Parramatta) (6.00 pm)—Given that the government made very strong statements in support of community television and indicated back in 1997 that it would provide spectrum, then promised immediately before the 1998 election, then promised just before the 2001 election and then promised again just before the 2004 election, should we expect another promise—the fourth one in a row—just before the 2007 election? Or, given that you have allocated, it seems, all the spectrum that is available, are you actually going to stand by—

The Deputy Speaker (Mr Haase)—I remind the member for Parramatta that I have neither estimated, promised or intended to do anything. You might address your remarks through the chair.

Ms Owens—Thank you, Mr Deputy Speaker. Minister, do we expect to see another commitment made immediately before the 2007 election, which would of course be the fourth one in a row?
Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (6.01 pm)—Significant progress has been made on the issue and it is a difficult economic, technical and even social process. The end is in sight. I ask the member to be supportive, cooperative and also patient in bringing it to a conclusion.

Ms Owens—Sure. Four elections in a row; that’s patience!

Proposed expenditure agreed to.

Department of Education, Science and Training

Proposed expenditure, $3,305,044,000.

The DEPUTY SPEAKER (Mr Haase)—The formal situation is this: this debate has come on much earlier than expected. I believe that is due to the fact that the questioning intended by the opposition has not resulted. The officials of the department, along with the minister concerned, are on their way. I invite you to give us a preamble to your delivery to the minister.

Ms BIRD (Cunningham) (6.03 pm)—I am happy to outline some of the perspectives that we are hoping to explore with the minister when she arrives. I do appreciate that it is six minutes earlier than anticipated but, with your indulgence, Mr Deputy Speaker, I will attempt to provide the context in which the questioning will occur. Obviously, the appropriations section of the budget on education is of particular significance and interest to those of us on this side of the House as, indeed, I am sure it is to all of us in this place. There will be a range of specific questioning, and the opposition will be interested in the more detailed information from the minister as we go through the procedure.

I would indicate that, across all of the funding sectors of education in the appropriations for this portfolio, there will be a range of particular issues of interest and concern to members on this side of the House. Clearly, the higher education sector and the two aspects of full fee courses and the Higher Education Endowment Fund, the way in which the monetary allocations have been made and how they will then be implemented are of particular interest to us.

There are obviously some real concerns for us about what has happened with the HECS increases within this appropriation and we are quite keen to explore some of the detail of that with the minister. The Higher Education Endowment Fund is indeed significant. It has long-lasting implications for the university sector. There are some specific and important questions that need to be addressed in terms of that fund, being one of the major announcements and indeed highlighted so significantly by the Treasurer in his budget speech. It outlines to us the need to get some further detail on what exactly that fund will be composed of, how it will be administered, what sort of ongoing funding it generates and how universities will be able to access that funding. It would be no surprise, I am sure, to the chamber that there is quite a range of funding detail in terms of the Higher Education Endowment Fund that we would like the opportunity to explore with the minister when she arrives.

The DEPUTY SPEAKER (Mr Hatton)—I encourage the member for Cunningham to keep going.

Ms BIRD—Please feel free to encourage me, Mr Deputy Speaker! We are also particularly interested in the vocational education and training sector and the importance of skills shortage areas. Sadly, from our perspective, the failure to really seriously address funding of the VET sector is also an issue of concern. Clearly, we understand that there was the announcement of
three additional Australian technical colleges, but beyond that there was very little joy in that sector and so there are some particular issues there that we would like to explore also with the minister.

The other very significant area that needs some further detailed looking at is the schools funding area. There have been a number of programs—for example, the literacy and numeracy vouchers program, which has now been embedded in recurrent funding after having been a pilot. I, like many others, I am sure, went through the trial period of the pilots with the literacy and numeracy vouchers.

Ms LIVERMORE (Capricornia) (6.07 pm)—My first question to the minister refers to the budget measure Realising Our Potential—Allowing More Responsive Universities. Can the minister confirm that, by lifting the cap on domestic full-fee-paying undergraduate students, a university that fills its HECS student places in one course within a funding cluster does not have to offer any HECS student places in other courses in that cluster?

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (6.08 pm)—The Australian government has lifted the cap on full-fee-paying places. As the member would be aware, that cap was 35 per cent in most subjects and 25 per cent in medicine, and that has been lifted. But the fact is that about three per cent of full-fee-paying undergraduate domestic places are currently in existence. So we do not have any anticipation that that will increase dramatically. The cap was essentially lifted because it was an unnecessary piece of bureaucracy that did not need to be there.

We have made it a requirement that the universities must continue to offer Commonwealth supported places and we will not allow universities to manipulate the provision of Commonwealth supported places to fill courses with full-fee-paying places. The way we will be able to do that is through the three-year funding agreements that are also a budget initiative from this year. Universities will be required to offer all Commonwealth-supported places, and we will not allow them to manipulate those places so as to create full-fee-paying courses.

Ms LIVERMORE (Capricornia) (6.10 pm)—I note the minister’s answer but I will delve into that a bit further. Can the minister confirm that a university could fill all its HECS places in, say, economics, commerce and accounting courses, leaving high-demand courses like law completely full-fee-paying?

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (6.10 pm)—The Australian government will not allow a university to do that.

Ms LIVERMORE (Capricornia) (6.10 pm)—Can the minister confirm that Australia has more than 100 full-fee paying degrees for Australian undergraduates that cost more than $100,000, all of which occurred under the government’s 25 per cent full-fee university course cap for general courses and 35 per cent cap for medical courses? Isn’t the government’s decision to lift the full-fee cap just going to further increase that number?

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (6.11 pm)—I would have to check the specific figures that the member has quoted, but the point I made earlier is that currently about three per cent of undergraduate domestic places are full-fee-paying. That three per cent also
includes people who undertake winter courses and summer courses, as they are called. So the number of people in full-time domestic undergraduate places would be less than three per cent, and we do not anticipate that lifting the cap will make a significant difference to that number.

Ms LIVERMORE (Capricornia) (6.11 pm)—Can the minister confirm that commerce and accounting students will pay up to $1,215 more per year for their degrees? Can the minister confirm that the government is cutting funding per Commonwealth supported student place in those disciplines by $1,029 per year? Isn’t that just shifting the cost of higher education further onto students?

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (6.12 pm)—No. What the Australian government did was to review the cluster funding arrangements in the lead-up to the budget. In consideration of that review, we increased the funding under the Commonwealth Grant Scheme for a number of courses. In fact, it would be worth me putting that on the Hansard record. It was an extra $557 million over four years for specific courses. Specifically, the Commonwealth Grant Scheme funding will deliver increases in 2008 for maths and science by $2,729 per place; for allied health by $1,889 per place; for engineering, science and surveying by $684 per place; for clinical psychology by $2,729 per place; for education by $109 per place; for nursing by $109 per place; for behavioural science and social studies by $840 per place; and for medicine, dentistry and veterinary science by $1,081 per place. It is up to the universities as to how they distribute funds across all discipline clusters.

In relation to accounting, administration, economics and commerce, we have aligned those with law. That means that the Commonwealth Grant Scheme amount will be the same as applies for the delivery of a law course. That will come into effect from 1 January 2008. However, any students who are already studying at university prior to 1 January 2008 will continue under the existing arrangements until the end of 2012.

Ms LIVERMORE (Capricornia) (6.13 pm)—I refer to the minister’s previous answer and I go back to her comment in the House of Representatives on 9 May this year that universities can decide for themselves whether or not there should be any change to HECS. Minister, wasn’t there only one university in the country that did not increase HECS fees when given the option in 2004? Which universities does the minister expect will not increase HECS contributions for accounting, commerce and economics courses?

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (6.14 pm)—There are two sides to this picture. On the one side, there is the amount that the universities receive under the Commonwealth Grant Scheme and, on the other side, there is the amount that a university can charge a student under the Commonwealth supported place arrangement, the loan assistance scheme. In the case of accounting, administration, economics and commerce, we aligned the Commonwealth Grant Scheme funding with that of law. That means that universities are able to align those courses with law for student contributions if they so wish. The point that I am making is that, given that the universities will be receiving an extra $557 million in additional funding under this initiative and they can distribute the funds across all discipline clusters, I anticipate that some universities will take the opportunity to leave—we will call it HECS for the purposes of the debate—the student contribution loan scheme as it is.
As to which universities will do this, obviously that is a matter for each university and I hope that in due course we will see that response. As to whether or not only one university chose not to raise its HECS fees, I cannot comment on that. I would obviously have to check the records as to which universities did or did not. The point about the student contribution loan scheme is that students in accounting, administration, economics and commerce degrees have the opportunity to earn considerable lifetime earnings as graduates from those courses, akin to law students. The government believes that it is fair for students to contribute to the cost of their education, particularly in courses where the opportunity to earn significantly greater salaries over their lifetime than a person who has not had the opportunity to go to university is taken into account. I think it is appropriate that accounting, administration, economics and commerce graduates are treated in a similar fashion to law graduates.

Ms LIVERMORE (Capricornia) (6.16 pm)—Can the minister confirm that, if the university chooses not to pass on the HECS increases after the government’s transition funding runs out, a university will lose money for those economics, commerce and accounting courses compared to their current funding arrangements?

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (6.17 pm)—It is up to universities as to how they distribute the funds across the discipline clusters. As I said, the changes will only affect students who commence studying at higher education providers after 1 January 2008. There is a transition fund to compensate universities for students who continue under the existing arrangements. In four years time, when the transition fund is no longer applicable, all students will be operating under the same conditions. As I say, the higher salaries that graduates of accounting, administration, economics and commerce receive over their lifetime and the competitive nature of the labour market for these skills made it appropriate to align both the capital grants scheme and the student contribution level with that of law.

Ms LIVERMORE (Capricornia) (6.18 pm)—I want to move on now to the Higher Education Endowment Fund. In question time on 9 May, the minister said the following: I thank the member for Perth for his question. He obviously does not understand that the endowment fund is on top of what the Australian government already provides universities for capital works and research facilities. Last year alone the Australian government provided over $240 million for capital and $460 million for research facilities. What the Treasurer announced last night is an endowment fund that will be invested, with the income from that endowment fund being distributed to universities on top of what we already fund. This is an unprecedented level of investment in Australian universities. The Australian Labor Party could only dream of such an initiative.

On 16 May the Australian quoted the minister as follows:

- The minister confirmed it would eventually supersede other capital funding sources such as the Capital Development Pool. ‘I have been concerned that we have in place a number of funds, each with different guidelines and numbers of criteria, and that universities have to put in lots of different applications,’ she said.
- ‘Over time I would like to see that streamlined’ through the endowment fund, which would have ‘much broader guidelines and much greater flexibility’ than existing mechanisms, Ms Bishop said.

Can the minister confirm which statement is correct? Will the Higher Education Endowment Fund be additional to or replace existing funding arrangements?
Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (6.19 pm)—My statements are perfectly consistent. My point is this: we have created the Higher Education Endowment Fund with $5 billion from this year’s surplus. My point that the Labor Party could only dream of creating such an endowment fund refers to the fact that the Labor Party operated budget deficits—and you cannot create an endowment fund out of a budget surplus if you operate budget deficits.

So the creation of this fund means that $5 billion in capital has been set aside. It will be invested. The dividends over time will then be distributed to universities—we anticipate on an annual basis. As the budget papers show, we have already anticipated that $304 million is an estimate of the funds that would be available to distribute over the three years from 2008. That would mean an extra $912 million. That is in addition to the funding that exists under the Capital Development Pool program. The Capital Development Pool program currently exists to provide funding for new universities and for regional universities, and the guidelines are quite specific. The point I made is that over time, as the Treasurer has indicated, the Australian government will continue to put budget surpluses into the Higher Education Endowment Fund so that that capital base increases. It will be a perpetual growth fund for our universities. Therefore, as that increases—and, presumably, the guardians of the Future Fund invest it wisely—we will have an increased distribution for our universities. The larger the capital fund, the larger the dividend.

We have a number of funds and programs that provide capital to universities, including the Capital Development Pool program. What I was suggesting was that, over time, it might be possible to roll some of the funds into the Higher Education Endowment Fund—so not decrease funding but actually increase the pool that is invested for distribution. But that is a matter that we would look at down the track. For example, this year we announced the new Diversity and Structural Adjustment Fund. What that fund will do is absorb the previous Collaboration and Structural Reform Fund. I am keen to streamline the opportunities for universities to apply for funding so that they do not have to apply for too many different programs but rather have the opportunity to apply under broader programs with broader guidelines. So the two statements are entirely consistent and are certainly not mutually exclusive.

Ms LIVERMORE (Capricornia) (6.22 pm)—The minister indicated in her answer that, over time, existing funding arrangements will be folded into the Higher Education Endowment Fund. If and when that happens, will that be on a recurrent basis? Will existing criteria for current funding arrangements such as those provided under the Capital Development Pool program continue to be maintained for funds that come out of the Higher Education Endowment Fund and how will this be implemented?

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (6.22 pm)—These are all matters for consideration. We have announced the establishment of the Higher Education Endowment Fund. We are yet to develop the guidelines that will operate in relation to that fund. Those guidelines will be developed with advice from experts, from people qualified to provide that advice. In relation to the Capital Development Pool fund, universities apply to the Australian government for funding under that program. It has specific guidelines and it is quite narrow in its application. I am suggesting that, over time, consideration could be given—depending upon what the guidelines are for the Higher Education Endowment Fund—to merging the two
funds. It might not be appropriate. We might not be able to do it. My comments to the *Australian* were that I am looking to ensure that universities have less red tape, less bureaucracy and more streamlined ways of receiving federal government funding. I will await the advice from the Higher Education Endowment Fund Advisory Board as to what would be appropriate.

**Ms LIVERMORE** (Capricornia) (6.24 pm)—I appreciate that we are going over similar territory, but as the minister would appreciate these are extremely important matters for universities when we are talking about their access to capital funding, so I am just trying to pin her down as much as possible. Going back to the minister’s comments in the *Australian* on 16 May, did the minister mean in those comments that the new Higher Education Endowment Fund would replace the CDP and/or other funds and programs? Would they be subsumed into the Higher Education Endowment Fund and how would that happen? Would it mean that those other programs would be abolished and, if so, which programs? How much are those programs worth currently? How much are they worth annually, separately and as a total? What would that mean for the total amount available annually to universities for capital and research infrastructure? Can the minister say categorically that the amount available will increase by $300 million per year? If not, what does it mean for universities?

**Ms JULIE BISHOP** (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (6.25 pm)—This is not about the Australian government reducing funding for universities. I mean, let us get real. We have just announced a budget of an additional $1.7 billion in funding for universities plus the creation of a $5 billion endowment fund. The point I was making was that universities currently access a range of programs and one of them is for capital, specifically the Capital Development Pool program. I have no intention of reducing the capital that is available to universities. My point was merely of an administrative nature as to what would be easier for our universities to access and how that could be done in a more streamlined fashion. I will certainly take advice from the Higher Education Endowment Fund on the guidelines that they suggest should exist in relation to the application of dividends from that fund. The Higher Education Endowment Fund is expected to provide a dividend of over $900 million over the next three years. That is set out in the budget papers. In fact I think it is specifically $912 million. That is our expectation.

**Ms LIVERMORE** (Capricornia) (6.26 pm)—In Senate estimates the department of education said that all existing funding arrangements will continue. Dr Evan Arthur of DEST, at Senate estimates on 30 May 2007, responded to a question from Senator Carr. Senator Carr asked:

- Are the officers aware of the minister’s statement that the higher education fund would eventually supersede the capital development pool? Is that an accurate report that appeared in the *Australian* on 16 May?

Dr Arthur responded:

- I have certainly seen those press reports. All I can say is that I am not aware of any government decision that has been made with regard to changing the funding arrangements for the capital development pool.

Has there been a government decision on this matter? Is there a decision of which Dr Arthur is not aware? And what decision is that? What does the government intend?
Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (6.27 pm)—Dr Arthur is absolutely correct in what he says. No, there is no government decision. If you go back and read what the Australian newspaper has attributed to me, you will see that it was a comment that I would like to see more streamlining of the programs that universities seek to access funding from. So, no, there is no government decision and there is no government policy. I made the comment in relation to the number of programs that are currently available for universities under which they apply for funding. Dr Arthur is absolutely correct.

Ms LIVERMORE (Capricornia) (6.27 pm)—Again on the Higher Education Endowment Fund, it is unclear whether or not universities will have to provide matching funds. The budget press release of the Minister for Education, Science and Training states: The Board would take into consideration whether universities had been able to raise matching funds, for example from state or territory governments, industry, alumni or members of the public.

However, the Australian Financial Review on 10 May reported:

- ... Professor Sutton said he had been assured by Department of Education, Science and Training officials that it was not a requirement that universities must raise matching funds to get earnings from the endowment.

Will the Higher Education Endowment Fund favour universities that provide matching funds from their own resources, endowments from commercial contributions or other areas? If so, doesn’t this mean that the fund potentially negatively impacts on those universities with less financial capacity, such as regional universities?

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (6.28 pm)—No, not at all. In fact, the Higher Education Endowment Fund will be an opportunity for universities to access dividends from a capital fund the size of which has not been seen in the higher education sector in this country. The whole idea of the Higher Education Endowment Fund is to enable universities to apply—whatever the persuasion of the government and whatever the government’s particular higher education policy is at the time—to an established perpetual growth fund for access to the dividends from that fund. Now, we expect that this fund will be supported by the opposition—that its creation, its establishment and the legislation surrounding it will be supported by the opposition—so that, whatever the policy of the government of the day on higher education and the funding of higher education, our universities will have access to a perpetual growth fund.

In terms of the consideration of applications, we will be seeking the advice of a committee—yet to be established, because the legislation has not even been produced in the parliament yet. We are seeking to establish a committee that will draft guidelines to advise us on the appropriate application of the dividends from the Higher Education Endowment Fund.

One of the other aspects of the creation of this fund was to encourage a culture of philanthropy in Australia. Our higher education institutions have not been as successful as their competitors overseas in attracting philanthropic donations. In fact, in Australian universities, less than two per cent of their income, their revenue, comes from philanthropic donations, whereas in comparable universities overseas it can be as high as 15 or 20 per cent. Our universities are obviously reliant on federal government funding, and that will continue, but there
are additional avenues of funding from business, industry, alumni and state and territory governments that should be explored.

We believe that the existence of a Higher Education Endowment Fund will assist universities that, for example, wish to access funding from their state government. If a state government were approached by a university for the establishment of, say, a dental school or a medical school and it said to that state government, ‘If you commit $5 million’—let us just use a hypothetical example—’for the establishment of a medical school at this university in your state, which will help us to produce medical graduates for employment in this state, we can then go to the federal government endowment fund and say we have a commitment from the state government and we can then seek to access the Higher Education Endowment Fund.’

But at no time have I or the department ever suggested that it would be a precondition of accessing the education endowment fund that they have matching funds. In fact, we specifically say that we would take that into account, but it is not a prerequisite—nor do I expect the advisory committee to suggest that be the case, because that is not what the government intends. So it would be naive not to look at the opportunities that exist for leveraging the existence of the Higher Education Endowment Fund from state governments, business, industry and alumni.

A division having been called in the House of Representatives—

Sitting suspended from 6.33 pm to 6.47 pm

The DEPUTY SPEAKER (Mr Hatton)—The question is that proposed expenditure for the Education, Science and Training portfolio be agreed to. Minister, do you want to continue your remarks or have you completed them?

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (6.47 pm)—With your indulgence, I will put this. I was asked a question about the capital development pool and I wanted to get some more details on that. The capital development pool figures in the 2007-08 budget for the forward years total $298.464 million. In 2007-08 that will be $80.092 million; in 2008-09, $71.425 million; in 2009-10, $72.782 million; and in 2010-2011, $74.165 million. So the commitment for the capital development pool through to 2010-2011 is $298.464 million and there is no government decision nor do we intend to roll that into the Higher Education Endowment Fund.

Ms KATE ELLIS (Adelaide) (6.48 pm)—Can we move along now to schools funding. I refer to the minister’s announcement that performance pay for teachers will be a condition of the 2009-12 quadrennium schools funding agreement. I also refer to the minister’s statement that the next 2009-12 quadrennium schools funding agreement will have $42 billion in funding available to schools. Given that the minister has revealed these details, when will she provide schools with certainty about how much money they will have in the next funding agreement?

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (6.48 pm)—The Australian government currently provides about $33 billion under the current funding agreement from 2005 to 2008. The expectation is that the figure will be around $42 billion, but that will obviously take into account a range of issues, including enrolments and the indexation figures. But I have given
an indication of what I believe will be the likely figure for the 2009 funding quadrennium, which will take effect from 1 January 2009. We anticipate it to be around that figure.

Ms KATE ELLIS (Adelaide) (6.49 pm)—I refer to the budget measure Realising Our Potential: National Literacy and Numeracy Vouchers. How can the minister justify spending $457 million on a voucher scheme based on the failed tutorial voucher scheme, where only one-third of eligible students participated, and on the more recent, Reading Assistance Voucher program, which has been criticised for not using appropriate teaching methods in line with the government’s own teaching reading report?

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (6.49 pm)—First, the question is based on a false premise. The Reading Assistance Voucher program was very successful. The member might be referring to the first year that we conducted a pilot. That relied upon the cooperation of the state and territory governments to provide to the Australian government the details of the parents who would be eligible for that voucher because their students, who were then in year 3, had not met the minimum standards for literacy in that year. The states that did cooperate and provide the information so that parents were given timely notice of the offer of the voucher had a significant take-up rate. The feedback that we have had from the evaluation was that it was highly successful in those states. There were a couple of states which did not cooperate with the federal government because they did not inform the parents in a timely way or at all and in those states there was a lower take-up because the parents had not been informed of their eligibility. The Australian government offered to roll the pilot over to enable those parents in those states to take up the offer and there has been a considerable degree of take-up.

The pilot, which was two years ago, was evaluated by Erebus International and we received very positive feedback, a very positive evaluation and so then in the 2006 budget we announced the Reading Assistance Voucher program, which was again for year 3. There has been significant take-up—I believe 13,000 people have registered for the voucher scheme that is in existence for 2006. Based on the success, the interest and the evaluation of the previous programs, we have considered the steps that the Australian government can take.

Next year, in May of 2008, there will be the first national assessment of literacy and numeracy standards for years 3, 5, 7 and 9 to be conducted in Australia. We anticipate that, as a result of these tests, there will be a number of students identified in years 3, 5, 7 and 9 who do not meet the minimum standards in literacy and numeracy. We are not prepared to stand by and let those students who do not meet minimum standards suffer as a result of not being able to access appropriate support in literacy and numeracy. Therefore, we announced a national tuition scheme whereby we will provide a tuition voucher of $700 to those parents whose children have failed to meet the minimum standards in the national tests in literacy and numeracy.

The interest in this voucher scheme is very high. There are many people who are concerned—and schools are also concerned—about, if their children do not meet the national tests, what support will be in place for them. So it is a safety net, if you like, to ensure that students who do not meet these minimum standards are provided with the opportunity to improve their skills. And, as the federal education minister, I cannot stand by and let students who essentially fail the national test not receive support to give them the opportunity to im-
prove their ability in literacy and numeracy. The $700 voucher will be provided to those parents. We will be seeking the cooperation of the state and territory governments to provide us with the information of who is eligible. And given the success of the Reading Assistance Voucher program that commenced this year and will be delivered during the 2007 year, we believe there will be considerable interest and uptake for the vouchers as a result of the 2008 national literacy and numeracy tests.

Ms KATE ELLIS (Adelaide) (6.54 pm)—I have one quick follow-up question if the minister—

Mrs Gash—Is this the last question?

The DEPUTY SPEAKER (Mr Hatton)—We are continuing with education. The timing is indicative. It does not in fact determine where we go with this. It is purely indicative. If there are still matters to be dealt with in terms of the education portfolio, we will deal with them.

Mrs Gash—I disagree. The minister is here ready for his session at 6.50 and the time is allocated. It was agreed to by the whips.

The DEPUTY SPEAKER—That is fine. I am aware of the fact that we have had a division and that division has taken some time, therefore I take that as indicative rather than being something that is legislated.

Ms KATE ELLIS (Adelaide) (6.54 pm)—I will not hold the committee up with the range of questions I would love to ask on Australian technical colleges, but can the minister just answer one follow-up question to the answer she just gave? I now refer to the budget measure Realising Our Potential—Rewarding Schools For Improving Literacy and Numeracy Outcomes. I ask the minister: why is the government directing $50 million to schools that have met literacy and numeracy benchmarks through $50,000 payments instead of investing that money in schools that need extra assistance in order to make the necessary improvements?

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues) (6.55 pm)—The Australian government is focusing on ensuring that students who fail to meet the literacy and numeracy standard in years 3, 5, 7 and 9 are provided with support so that we can lift those standards. Likewise, we know that parents are concerned about standards in schools. We are aware that employers are concerned that young people lack these fundamental skills in literacy and numeracy and we have all heard stories and been told by universities that our universities even have to offer remedial classes in English for year 12 graduates. Year 12 graduates who go on to university would be considered amongst our best and brightest students and yet universities have to offer remedial English classes. So we are obviously concerned about the levels of literacy and numeracy.

There are some schools that have made an extraordinary effort to lift the standards—low-performing schools who have managed to lift the literacy and numeracy standards by a dedicated focus, by specific resource materials and by ensuring that literacy and numeracy are among the core skills that they seek to instil in their students. We believe that those schools have a great story to tell. Schools that have been able to demonstrate substantial improvement in the literacy and numeracy achievements of their students, as measured by the national assessments and by their own applications, should be rewarded for their efforts in doing so.
Those schools will then be able to use that funding to reward their teachers, to develop more resource material and to be used as best practice models for other schools around the country that are seeking to improve literacy and numeracy standards.

It is our hope that, over time, schools that are currently underperforming in literacy and numeracy will be assisted by the best practice models that other schools have been able to develop and that we will be able to lift standards across the board. But, of course, we can only do so much. At the end of the day, the state and territory governments are responsible for the education systems in their states. I think it is a matter of considerable concern that literacy and numeracy levels in this country are falling. We must do all that we can as a federal government and in conjunction with state and territory governments to lift the literacy and numeracy standards. These are the fundamental skills that will ensure that students have an opportunity to succeed in life, go on to further education and training or get a job. I certainly make no apologies for the Australian government’s focus on rewarding schools who have been able to lift standards in literacy and numeracy and, likewise, providing parents with the safety net of support in the form of a $700 voucher for those students who have not met minimum standards in literacy and numeracy.

Proposed expenditure agreed to.

Department of Immigration and Citizenship

Proposed expenditure, $1,566,212,000.

Mr BURKE (Watson) (6.59 pm)—I want to kick this off with a question to the minister: which parts of the budget expenditure are designed to achieve assimilation?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (6.59 pm)—Assimilation is not the government’s policy.

Mr BURKE (Watson) (6.59 pm)—Could the minister explain why the Prime Minister thinks it is?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (6.59 pm)—I can explain to the honourable member the government’s policy. It is one of integration. The great achievement of Australia, particularly in the last six decades since the end of the Second World War, has been our ability, under governments of both political persuasions, to balance two factors: integration and diversity. That balance is not a scientific outcome; it is a matter of making judgements and monetary policies and trying to achieve as best one can, from time to time in differing circumstances, the way as to how we achieve that balance. But that is the government’s approach.

Mr BURKE (Watson) (7.00 pm)—How would an assimilation model be different?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.00 pm)—That is a hypothetical question and I do not have to answer that.

Mr BURKE (Watson) (7.00 pm)—While it is a hypothetical, it is a hypothetical that the Prime Minister asserts and he uses that term. I use the expression deliberately, with respect to assimilation. What the minister said in terms of the importance of integration is something with which I do not differ, and it is why my portfolio has integration in the title. But it is curious that the Prime Minister, quite explicitly, purports something that the minister now tells us is not government policy. Minister, the media unit is not being used in the way it used to be
used. Could you please explain how the role of the media unit has changed now that you are the minister?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.01 pm)—The media unit is being used extensively and will continue to be used extensively. As the honourable member would know, there is always a balance between those matters responded to directly by the minister’s office and those responded to directly by the department through the media unit. The media unit is doing a lot of work—for example, in relation to the new citizenship proposals. There is a quite considerable amount of work being done by the media unit and it will continue to be a valuable part of the department.

Mr BURKE (Watson) (7.02 pm)—Who provides advice to the minister prior to the minister making media statements?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.02 pm)—That depends on the circumstances.

Mr BURKE (Watson) (7.02 pm)—In Senate estimates, Senator Crossin referred to the minister’s public statements about the International Organisation for Migration being an NGO. Senator Crossin’s question to Mr Metcalfe was:
So how could the minister have got that so wrong?
The response from Mr Metcalfe was:
I think you would have to ask the minister ... Minister, how did you get it so wrong?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.03 pm)—I was referring, if one looks at the context of my remarks at that time, broadly to a number of organisations of which the International Organisation for Migration is one. I clearly understand the difference between NGOs as normally understood and the IOM in this regard.

Mr BURKE (Watson) (7.03 pm)—Minister, how could Sri Lankan asylum seekers have applied for refugee status whilst still in their home country?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.03 pm)—I would have thought the honourable gentleman opposite would know that under the refugee convention a person must be in fear of persecution in the country to which they believe that they could be returned, and that they would apply for refugee status in a third country.

Mr BURKE (Watson) (7.04 pm)—Given that they were still within Sri Lanka, in that circumstance where would they have made such an application?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.04 pm)—The question is hypothetical. As I have explained to the honourable gentleman opposite, if he wants to look carefully at the refugee convention, he would find that it would be in a third country where a person would normally or ordinarily apply for refugee status. If he is making reference, for example, to the group of 83 Sri Lankans who were effectively picked up in the Indian Ocean, the reality is that all of those people were transmitted through a third country, some of them through more than one country, before their boat journey from Indonesia purportedly to some part of Australia.

Mr BURKE (Watson) (7.05 pm)—I am specifically referring to the statements made publicly by the minister—I presume without reference to the media unit—that those individuals.
Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.05 pm)—I have answered the question.

Mr BURKE (Watson) (7.05 pm)—I suspect through that avoiding tactic—indeed you have. Minister, if I can refer you please to the trade skills training visa and ask first of all in the forward appropriations how much revenue has the government budgeted to receive from the trade skills training visa?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.05 pm)—I will take the question on notice.

The DEPUTY SPEAKER (Mr Barresi)—For my clarification is the member for Watson going to pose each individual question or is he going to pose a number of questions at once?

Mr BURKE (Watson) (7.06 pm)—I was going to do them one at a time. Otherwise answers such as, ‘I will take them on notice,’ provide sufficient barriers and I would hate to be wasting your time and rendering questions redundant. I would ask the minister how many people are on trade skills training visas?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.06 pm)—My recollection is that it is not many. I think it is less than 10 but I will again provide the exact details to the honourable member.

Mr BURKE (Watson) (7.06 pm)—When criticism was made of that apprenticeship visa the previous minister stated that Labor was out of touch with regional Australia in criticising the visa and by calling for its abolition. Given that there are only 10 people currently holding the visa, exactly how in touch with the needs of regional Australia is the government in feeling that it is a priority need for immigration?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.07 pm)—Well, firstly the honourable member has premised his question on that which has not been confirmed, and I have said to him that I will confirm the numbers. The number of visas, though—this is now theoretical on the basis that I will confirm the numbers—that are issued in a particular class does not necessarily mean that there is not a need. There could be 100 visas issued for which there is a need in 100 cases. There could be 10 visas issued for which there is a need in 10 cases. There could be a thousand visas issued for which there is a need in a thousand cases but I will provide the honourable member with the actual numbers of how many such visas have been issued.

Mr BURKE (Watson) (7.08 pm)—I refer the minister to the expenditure on the monitoring of the 457 visa program and ask whether the budget measures which have been put in place are likely to alleviate the concerns from the US Department of State which have been addressed today?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.08 pm)—If I can say respectfully, in relation to the report of the US state department, their criticism is misplaced. This is a report which the honourable gentleman opposite will know arises out of a longer term concern of the United States in relation to trafficking in persons and that largely arises out of trafficking in relation to things such as so-called sexual slavery and sexual servitude and the like. Those same concerns, in my view, are not applicable to the 457 visa pro-
gram. However, as the honourable gentleman will also know, the government is moving to place some greater sanctions in relation to any sponsor who seeks to abuse the 457 program. To date, the basic sanction against abuse of the program is the removal of the privilege of being able to use that program either for a temporary period of time or for a longer period of time.

What the government proposes, and this was announced some time ago, is that we will put in place a regime of sanctions, including financial penalties, against sponsors or employers, or others, indeed, who abuse that program. As I said, I reject the one line—or two lines; I stand to be corrected—in what was an otherwise glowing report from the US state department. I am sure the honourable member will concede that the report was very supportive of Australia overall. I am sure he will also concede that Australia’s tier 1 ranking under that report indicates that, overall, the US state department not only has no real concerns about Australia but also regards Australia as one of those countries that has an exemplary program so far as these issues are concerned. So I think that comment—to the extent that it was made, in two lines—was misplaced. But even if the honourable gentleman wants, for the sake of argument, to suggest it was not misplaced, the measures that the government is putting in place would deal with those issues anyway.

Mr BURKE (Watson) (7.11 pm)—One of the specific objections from the US state department was the issue of debt bondage. And one of the concerns which has been raised over the 457 visas is to do with examples such as that of somebody who made a $20,000 payment to effectively purchase the right to a $42,000 job and found themselves in debt that massively undercut the salary they ended up receiving. When those things occur, has there been a breach of the visa?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.11 pm)—The honourable gentleman will remember the changes which the previous minister made in relation to what matters were legitimate ones for payment. That deals with the issue which he has raised. The further measures which the government intends to introduce will also deal with abuse more generally.

The greater difficulty—and I would be interested in any advice the honourable gentleman might have in relation to this—is where a payment is made to an overseas agent or organisation entirely outside the jurisdiction of Australia. Take, for example, country X, which has its own sovereign entitlements. If a person is recruited in country X and makes a payment—whether for $5,000 or $10,000—towards a labour recruiter, then that activity in country X, being sovereign to that country, is outside any jurisdiction that we in Australia have. What we have sought to do is to make it clear that any payments made in Australia are within a band of what could be regarded as acceptable, and to put in place the further matters which I foreshadowed in terms of the penalties that might apply to employers. But if the honourable gentleman has any suggestions as to how we could put in place a regime which would have effect contrary to the sovereignty of another country within that country, then my door is open to any suggestion he might make.

Mr BURKE (Watson) (7.13 pm)—The issue which was just described by the minister surely is precisely an example of debt bondage. The difficulties internationally go to the monitoring of and enforcement against debt bondage. If what the minister just described is legally permissible under the 457 visa program—perhaps because of extraterritorial difficul-
ties, but notwithstanding those—doesn’t that go directly to the debt bondage concerns of possible abuse of the program contained within the US report?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.14 pm)—No, that is not the case, and the honourable gentleman is trying to slide around the issue by saying, ‘Let’s just leave aside any extraterritorial issues,’ or ‘Let’s not address the sovereignty of another nation in this regard.’ As I said before, we in Australia have in place arrangements and have foreshadowed some further legislative changes which deal directly with the issue. The suggestion, for example, of a $20,000 payment to an agency or organisation in Australia has already been covered by the changes which the previous minister put in place. Other penalties which will apply in relation to the changes, which I have foreshadowed, will further address the issue.

Mr BURKE (Watson) (7.15 pm)—Under section 51 of the Australian Constitution, does the federal government have extraterritorial power with respect to its legislation?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.15 pm)—The honourable gentleman is asking for a legal opinion and, whilst I am a lawyer, I will defer to those whose expertise it is to provide legal opinion on that. The honourable gentleman knows the various parts of section 51 of the Constitution but if he is suggesting, for example, that we could pass laws in Australia which would somehow have an effect upon individuals operating in a separate sovereign country then that goes beyond what section 51 of the Constitution provides.

Mr BURKE (Watson) (7.16 pm)—I am sure the minister knows full well that we can set whatever conditions we want for the granting of an Australian visa, whether those conditions go to behaviour overseas or behaviour in Australia. If we were not able to do that, we would not be able to recognise the marriage laws of other countries in providing spouse visas, because how could we look at a marriage which was legally registered in a different country? The way we are able to do that, clearly, is that we allow our visa conditions to take into account behaviour that has been conducted overseas. Evidence can always be far more difficult to gather, but I put to the minister again: is it not a perfect example that the minister described earlier of people being in a situation of debt bondage, whether that debt has been incurred overseas or in Australia? Isn’t the capacity for debt bondage exactly the same, and isn’t the only difficulty for the Australian government, if it has the will, the gathering of evidence? Surely, Australia has a complete right to determine whether or not it will issue a visa.

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.17 pm)—That matter has already been covered in the matters which the previous minister gazetted.

Mr BURKE (Watson) (7.17 pm)—The minister has now provided two completely contradictory positions: firstly, what the minister has already gazetted, yet he said that that only applied to payments made in Australia. I have just asked a question about payments made overseas, where Australia does have the right, if it chooses to take those payments into account, to refuse the granting of a visa. Is the minister saying that, if there is a debt bondage situation created overseas, that is now grounds to refuse an Australian 457 visa?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.18 pm)—I refer the honourable gentleman to the matters which have been gazetted. He can read them for himself. I was speaking earlier in relation to the matter which the honourable member raised—
that is, the gathering of evidence and the ability to prove or disprove whether or not some-
thing happened overseas—and the difficulty in gathering that evidence, which is proved right
or wrong. It is easy to make allegations one way or the other but, in terms of actually proving
it, it is an entirely different matter.

Mr BURKE (Watson) (7.18 pm)—If we decided to not make laws based on evidence be-
ing difficult to prove, this parliament would have much less work to do. The minister would
know full well that this exact principle I am referring to is the cornerstone behind the use of
extraterritorial power in relation to parliament making it unlawful in Australia for people to be
involved in child sex crimes overseas. When there is the will to actually look, no matter how
difficult the evidence may be to gather, the capacity is there to do it. My question to the minis-
ter is: is it an abuse of the 457 visa for someone to be paid $42,000 to perform work, when
everybody in that same region of Australia is being paid $80,000?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.19 pm)—Before
I come to that, can I go back to the previous comment of the honourable member opposite,
because he is seeking to twist what I said. I refer him once again to what has already been
gazetted. He should not suggest that what has been gazetted is something other than what in-
deed has been gazetted. Clearly, he full well knows what has been gazetted. I come to the
point. The honourable member is aware of the way in which the minimum threshold so far as
salary is concerned operates. It operates in a way in which it was set effectively at above the
market rate so far as salaries across the board are concerned. It was set at that level above the
market rate in order to be a balance against full labour market testing in relation to every posi-
tion or every job. But if one looks at the average salary that is being paid under 457 visas in
Australia, one sees, as is my recollection, that it is of the order of $70,000 or $80,000.

Mr BURKE (Watson) (7.20 pm)—My question—and I do not want to state it in identical
terms; I want to pretend that the conversation is going somewhere—is this: is the visa
breached if every Australian in an area is earning $80,000 and a visa holder arrives who is
earning $42,000? Is there a breach of the visa?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.21 pm)—The
honourable gentleman also knows the answer to that: it relates to whether it is the $42,000 or
whether there is an industrial instrument in place in relation to that job in that occupation. If
that industrial instrument is in place and it is higher, then that is the provision which applies.

Mr BURKE (Watson) (7.21 pm)—And if the industrial instrument is lower but the market
rate is $80,000?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.21 pm)—I have
answered the question.

Mr BURKE (Watson) (7.21 pm)—What we have had from the minister makes patently
clear what the US state department was concerned about. If you have a situation where you
are able to have somebody, simply because they are a visa holder, work at rates of pay that are
radically less than what are otherwise being paid in the market—and we all know that market
rates in many circumstances are significantly higher than what the minimum award rates are
or what the minimum salary level is—then you have a circumstance where you have what the
Australian community would regard as an abuse but which, under the 457 visa program, is
completely legal. The reason the United States is particularly aware of this is that it does have
a system where your visa rate has to take into account the prevailing wage for the industry in the particular region. Is the government mindful of considering introducing a test beyond the MSL of taking into account the prevailing wage?

**Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.22 pm)**—I have explained the way in which the system operates at the present time. I have explained to the honourable gentleman, as he knows well, that the average wage paid under 457 visas in Australia is in the order of $70,000 to $80,000, which is well in advance of the average wage in Australia, and that that system operates in an extremely useful way in finding labour in this country. What the honourable gentleman fails to say is that in an occupation in which the average wage in Australia is much less than the $42,000, leaving aside the regional difference, nonetheless there is a requirement under the present arrangements that that $42,000 or the regional equivalent be paid. So some visa holders are actually being paid more than what is the going rate in that particular industry. Indeed, I have businesspeople coming to me and complaining that they have to pay $42,000 in certain instances when in fact the going rate in Australia is $32,000 or $35,000. So the honourable gentleman ought to look at the entire picture rather than pick out one little part of it in relation to these programs.

In terms of the threshold itself, that threshold is adjusted from time to time and it has been moved upward from time to time. It operates at a different level in, for example, the information technology industry in Australia in which, generally, higher wages and salaries and conditions are offered and therefore it is set at a higher level above those. But the government will monitor it from time to time, taking into account that there are, as I said, some occupations in which bringing someone in from overseas on a 457 visa actually involves a greater amount of payment to the individual concerned than to an Australian worker who might be working alongside that person. As I said, the complaint is made by businesspeople to me from time to time that, if the average amount of payment for an Australian worker in a particular occupation in a particular industry and at a particular location is, for example, $32,000 and yet they are required to pay $42,000, how is that a fair outcome in relation to the comparison between the two?

In the end, this is a balance so far as this program is concerned. I take it from the honourable gentleman’s remarks that he is not opposed to 457 visas in Australia. The total number of people coming in on 457 visas is not large in terms of the workforce in Australia. Having a workforce of over 10 million people in this country, we have on the last year’s numbers—obviously they vary a bit from year to year—some 40,000 visa holders as primary visa holders under the 457 program and about 30,000 secondary visa holders under that program. Even if you take the total of 70,000—or let us say it is 100,000 even—for a workforce of 10 million people in this country, that is not a large number when the reality is, in many industries, in many regions, in many parts of this country, that we are facing a shortage of workers.

As the Reserve Bank reminds us from time to time, that shortage of workers is a potential capacity constraint so far as the prosperity of Australia is concerned. Of course, that prosperity has an impact on other workers in Australia as well, not only those who are coming in from overseas but indeed, the prosperity of all Australians. So the government is committed to a temporary skilled visa program. We have resisted temptations and suggestions that have been made to us from time to time to lower that level of skill. The honourable gentleman knows, for example, that the trucking industry has been crying out, saying that it cannot find
in particular long-distance truck drivers in this country. I have put in place a working group, including a representative from the Transport Workers Union, to look at that issue overall. But that is just one example of where industry in Australia is saying, ‘We simply cannot find the workers to undertake the type of work which is required if we want to continue to provide the services and therefore grow our industries and our businesses in Australia and provide work for Australians.’

So this is an important component so far as the overall labour market and migration program is concerned. It is valuable to Australia. To remove it would do enormous damage to the Australian economy. We monitor its operation from time to time. We try to ensure that any potential abuse is something that is dealt with, such as I have foreshadowed.

Mr LAURIE FERGUSON (Reid) (7.27 pm)—Does the $35.2 million for complex case management for humanitarian entrants refer to a new subprogram or is it accommodated within the existing IHSS?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.27 pm)—Those are matters which we are working through at the present time. Can I say, if the honourable gentleman might have questions about the rest of that 200 and something million dollars in relation to the humanitarian settlement program, in some instances the money will supplement existing services and in some instances we are looking at additional programs. But the aim of this is to deal particularly with some more recent settlers to Australia, particularly those who have come, for example, from parts of Africa where, through no fault of their own, their circumstances are more difficult, if I can put it that way, in terms of settlement in Australia than perhaps earlier arrivals under the humanitarian program. These are people, for example, who have much lower levels of education than many earlier arrivals have. These are people for example who have spent a long period of time in war-torn and conflicted areas, and who have spent years, in some instances from very young ages, in refugee camps. It is a response to what we see as a greater humanitarian need in terms of the settlement program to have provided that additional money, but, as to the actual detail of it and the allocation of it, we are still working through aspects of that. I am quite happy to provide the honourable gentleman with more details about it when we have got all that to hand.

Mr LAURIE FERGUSON (Reid) (7.29 pm)—In reference to the increase in the second language new arrivals program of $127.8 million, can the minister detail what programs are being expanded or whether there are any new initiatives?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.29 pm)—It is not proposed, so far as I am advised, that programs are going to be disbanded. It is a matter of actually augmenting programs and providing additional services to what is there at the present time. But, again, I am happy, once we have sorted out all the detail, to provide that detail to the honourable member.

Mr LAURIE FERGUSON (Reid) (7.29 pm)—What is the purpose of the $1½ million discretionary fund for regional refugee settlement?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.30 pm)—The detail of it is to improve data capture of employment and skills history and to support the long-term sustainable settlement of refugees in regional areas, particularly where there are employment opportunities.

MAIN COMMITTEE
Mr LAURIE FERGUSON (Reid) (7.30 pm)—Will the $5.3 million allocated to on-
arrival accommodation be expanded to the special humanitarian entrants?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.30 pm)—The
$5.3 million is to increase the assistance for humanitarian entrants with rental and utilities
costs in the first month after arrival under the Integrated Humanitarian Settlement Strategy.

Mr LAURIE FERGUSON (Reid) (7.30 pm)—Is there any intention to expand it to the
sponsored?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.30 pm)—No.

Mr LAURIE FERGUSON (Reid) (7.31 pm)—With regard to grant V07/4730 to the Song
Room Inc. could the minister provide the full gamut of services provided to resettling refugee
humanitarian entrants?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.31 pm)—I am
sure the honourable member would expect me to have that right at the top of my head, that I
could simply recall every grant by its code number such as that. I am afraid I will have to dis-
appoint the honourable member on this occasion. I will take note, if we have not already, from the
Hansard of what that particular grant is and we will provide the answer to the honourable
gentleman.

Mr LAURIE FERGUSON (Reid) (7.31 pm)—I am particularly interested as to whether it
goes beyond the provision of religious based music.

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.31 pm)—Again,
I will provide the honourable gentleman with the details. If there are further questions, please
put them on the record or, if the honourable gentleman wants to simply provide outside this
forum the questions that he has, then I undertake that I will give him the answers.

Mr LAURIE FERGUSON (Reid) (7.32 pm)—The number of providers in the Dandenong
region has been expanded; I gather there are about six providers now. Could the minister
please indicate what avoidance activities have been taken to avoid replication, conflict and
competition between providers, duality of services, confusion amongst clients and that type of
thing?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.32 pm)—Again,
in general terms, that is something which we are monitoring. I was out in the Noble Park area
just a few weeks ago, talking to some of the providers of some of the services out there. It is
an area in which there is considerable need, as I am sure the honourable gentleman well
knows. It is always a matter of providing a range of services but trying to avoid overlap and
undue competition. A little competition probably does not hurt in most areas of human en-
deavour, but one does not want to have overlays of competition in services, and that is some-
thing which we continue to monitor.

Mr LAURIE FERGUSON (Reid) (7.33 pm)—Has there been a reorientation in the set-
tlement funding towards youth in this particular program for the next few years?

Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.33 pm)—My of-
ficials are saying that they do not think so, but that is not quite the full answer. As I said ear-
lier, one of the challenges we are facing, particularly from some of the settlers who have come
from Africa, is that they are a younger population. Almost as a matter of definition, if you
like, there is a stronger orientation towards youth simply because many of the people who are coming are much younger and therefore the services that are required for them differ maybe from services required for somebody who is a couple of decades older. Whilst, as I am advised, there is no deliberate policy to say we are reorienting to youth, the reality is that in addressing the needs of the population we are therefore dealing with a younger population.

**Mr LAURIE FERGUSON (Reid) (7.34 pm)**—Returning to the $35.2 million for complex case support for humanitarians, is it a fact that $2 million in the first year will be spent on consultants and that no money is being allocated to actual on the ground delivery?

**Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.34 pm)**—Again, I will take that matter on notice and give the honourable member the answer.

**Mr LAURIE FERGUSON (Reid) (7.34 pm)**—Finally, with regard to the $127.8 million for the second language new arrivals program, could the minister detail what programs are being expanded or whether there are any new initiatives?

**Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.34 pm)**—Once again my answer is the same. As the honourable member knows, there is a process of tendering, there is a process in which various services are looked at in different regions and different locations, but I am quite happy to provide the full details once we have got those.

**Mr LAURIE FERGUSON (Reid) (7.35 pm)**—With regard to the allocations in New South Wales of grants for the former Yugoslavia region, one of the failed grants was the Bosnian information service in my electorate. Could the minister please investigate the question of whether there is an unfortunate practice of the department to regard people describing themselves as Bosnians as being the only Bosnians entering in this country? I put it that the former Yugoslavia tends to be a description which Bosnians in particular would be inclined to take up, as opposed to Croatians and Serbians who would be less inclined to describe themselves in that fashion. So limiting the grants to those people who specifically describe themselves as Bosnians is somewhat unfair to those previous service deliverers who have been denied funding this year.

**Mr ANDREWS (Menzies—Minister for Immigration and Citizenship) (7.36 pm)**—I hear what the honourable member says. I will make some inquiries about the matter. That part of the program is in the day-to-day operational control of the assistant minister, but nonetheless I will make an inquiry of the department on behalf of the honourable gentleman.

Proposed expenditure agreed to.

**Department of Defence**

Proposed expenditure $19,720,501,000.

**Mr FITZGIBBON (Hunter) (7.37 pm)**—I thank the minister for making himself available for the short time we have available to us this evening. I do not intend to make any speeches, again because of the time available, but I do have a range of questions I would like to put to the minister. I understand that he might not be able to answer all of them without notice, but I am happy for him to take them on notice if he feels that is more appropriate. My first question goes straight to some of the financial details of the budget. I would like to ask the minister whether he believes the non-farm GDP deflator plus three per cent—that is, the indexation rate used to measure cost increases in the defence industry—is a sufficient and correct measure for the purposes of that exercise?
Dr NELSON (Bradfield—Minister for Defence) (7.38 pm)—By definition, the non-farm GDP deflator takes into account general price movements in the non-farm sector—and over the last three years defence has done very well from it. If you take the forecasts out to 2011, we can expect some reductions in non-farm GDP deflator. In addition to that of course there is the three per cent increase in funding which the government has budgeted out to 2016. In simple terms, yes, by definition of the fact that the non-farm sector is catered for by the deflator, we have added into that an additional three per cent. In this budget we also budgeted for logistics, which, including what was done in the previous budget, takes us out to $4 billion for logistics—there is $1.8 billion additional in this budget. I do recognise that that additional funding for net personnel and operating costs will need to be dealt with before 2010. I also acknowledge in the context of the question that some of the through-life support and costs of maintaining defence will be in some cases below the three per cent. In other case, it will be above it. But, given all of the reasonable forecasts that we have got, yes, we do believe that it is adequate.

Mr FITZGIBBON (Hunter) (7.39 pm)—I thank the minister and suggest to him that an economy-wide deflator such as the non-farm GDP deflator is hardly likely to reflect the rising costs we are experiencing in the defence industry, particularly as it relates to technology. I will leave him to respond to that further if he so wishes.

The second area of questioning is capital programs. On page 9 of the PBS, it shows there were carryover funds under programs of around $1.129 billion. I ask the minister, and again I fully expect he will have to take some of these on notice: which projects relate to the funds being reprogrammed? What will be the impact of this reprogramming on the delivery of capability under these projects? Have any of the projects been scrapped as part of this reprogramming? How many projects have been delayed, and which ones? Can he explain why Defence has had to defer large amounts of planned capital equipment expenditure every year since the white paper of 2000 and the original defence capability plan released in 2001? How much in total has been deferred since 2001? The ASPI budget brief claims it is around $4.5 billion in total, of which only $1.1 billion has been spent.

Dr NELSON (Bradfield—Minister for Defence) (7.41 pm)—The reprogramming does not mean that any of the projects will not be paid for and delivered. What it reflects is the fact that the complex nature of defence acquisitions is such that, as I have said publicly in the past, it is not like going down to the Ford dealership and buying a Territory or a Ghia. This is cutting-edge, state-of-the-art, highly complex technology which frequently has to operate in a war environment. So I think the member for Hunter would appreciate that projects are not always delivered on time. In fact, our delays at the moment are averaging 14 per cent, which is an improvement from 20 to 25 per cent three years ago. So the reprogramming represents the shift of money beyond the forward estimates period for projects that by definition are delayed.

As for the specific delays, one is the Wedgetail Airborne Early Warning and Control aircraft on the Boeing 737 platform. As I said publicly from the Pentagon in July last year, Boeing has let itself down and it has let us down in relation to that. We have a remediation program for that at the moment, and only the weekend before last I met with Jim Albaugh, the vice-president of Boeing, and, three weeks ago, with the program director for this project, and we are reasonably confident in the remediation project we have got. But Wedgetail is $110 million. Another project is the M113 upgrade, which is $77 million. That is the project with
Tenix, and there are some issues in relation to brakes. But, whilst there are delays in the initial delivery, we are confident that the last vehicle will be delivered as originally scheduled. Then there is the Hornet upgrade, $68 million, and the SM1 missile replacement project, $54 million.

There are also a range of issues—which contribute to the reprogramming across the forward estimates—related to foreign industry, including foreign military sales, which accounts for about a third of it. We also, as I say, have contracting delays, which account for about 13 per cent. I think it is noteworthy that errors on the part of the Defence Materiel Organisation account for less than one per cent. I think what the people of Australia and what the opposition should expect, over the forward estimates period, is to see money reprogrammed out and then back into the defence capability plan, because it is not appropriate to have a lot of money held in the DCP in the forward estimates period where we do not reasonably expect that projects are going to be delivered. But no projects have been cancelled.

Mr FITZGIBBON (Hunter) (7.44 pm)—I thank the minister. The minister would be aware that the Joint Committee of Public Accounts and Audit has recommended that the ANAO be given additional funding—I think around $1.5 million annually—to hold a more thorough audit into the top 30 defence procurement projects in this country. Can the minister indicate to me whether that proposal is under active consideration by the government?

Dr NELSON (Bradfield—Minister for Defence) (7.44 pm)—If the ANAO is going to receive additional funding, it is not likely to come from my portfolio. Certainly we cooperate fully with the Australian National Audit Office. In fact, we are very happy with the ANAO examining any project or as many projects as it feels it needs to examine, and it does so fastidiously. I have met with the Auditor-General and his key staff who work in Defence. At this stage, I am not intending to shift much needed Defence resources from Defence to the ANAO, which, from my perspective, is doing an extremely good job, as is the Joint Committee of Public Accounts and Audit.

Mr FITZGIBBON (Hunter) (7.45 pm)—I want to move on to some other capability issues. First of all, on the issue of the purchase of the 24 Super Hornets by the RAAF, Minister, what comparative analysis of other aircraft was done before the decision to purchase that aircraft was made? And, while I am on the subject of aerospace, can you confirm the government’s decision to persevere with the Seasprite helicopter project? What is the rationale behind the decision to persevere with the project? Are there any alternative views?

Dr NELSON (Bradfield—Minister for Defence) (7.46 pm)—The Royal Australian Air Force, earlier this decade, in considering the replacement of the F111s and ultimately the FA18s, made a decision, having sought expressions of interest from the major aircraft manufacturers throughout the world, that the Joint Strike Fighter was the correct aircraft for Australia. The Royal Australian Air Force also at that time concluded that the contingency option for the transition through to the next decade in new air combat capability would be the Super Hornet Block II. Last year, in examining all of the issues in relation to the new air combat capability, to derisk the transition to ensure that the government would confidently retire the F111, which is now 35 years old—instead of the F111 retiring us, so to speak—in a climate where the F111 is losing situational awareness in the modern airspace and also to derisk the uncertainty which would surround the scheduled delivery of the Joint Striker Fighter, most of the issues for which lie beyond the realm of Lockheed Martin, the government made the deci-
sion, on the advice of the Royal Australian Air Force, that the contingent transition capability would be the Super Hornet Block II. One of the reasons for that is that it is a multimission aircraft. It has a very impressive stealth capability. It is also largely interoperable with our existing FA18 A and B fleet. Australia is a Hornet country. It also gives Australia the option at the end of the next decade to on-sell the Super Hornet back to the United States Navy, which will be flying the aircraft until 2030.

In relation to the Super Seasprite, it is well known that on 28 March 2006 an issue arose with the automated flight control system for the aircraft which required the grounding of the aircraft. Following that, I asked the Navy and the Defence Materiel Organisation to systematically examine the options in relation to the future of the Seasprite, keeping in mind that the project is six years late. It is by far and away the poorest performing project of the so-called legacy projects that we are managing. It took the best part of 10 months for all of that advice to be gained in terms of what is actually involved in continuing with the aircraft, what other capability might it be used for at a lesser level, what would be involved in continuing and what would be the prospects for completing the project according to the milestones of capability. The government made the decision after quite detailed examination that we would continue with the project, including the deed, and we will most certainly be working very closely with Kaman, the principal contractor, to see that the key milestones are met. This is an aircraft that Australia will need for antiship warfare in littoral environs.

Mr FITZGIBBON (Hunter) (7.50 pm)—I thank the minister. I note that he did not refer to any comparative analysis done by the government or the RAAF in respect of the Super Hornet. On unrelated matters, I ask the minister what commitment the government has made or intends to make towards the relocation of the Amberley school. He will be very familiar with this topic. The expansion of the RAAF base at Amberley will necessitate relocation of the school. Many parents there fear that their children will be broken up into a range of other schools rather than having a new school built for them.

Of course, we will inevitably have a stoush between the Commonwealth and the state. The state of Queensland will argue that it is a Commonwealth responsibility because the Commonwealth has forced the move and I suspect that the Commonwealth will argue, and rightly so, that the state has a responsibility to make a contribution as well. In that bipartisan spirit, I ask the minister what he knows about the issue, where we are with it, what contribution the Commonwealth is likely to make and what he knows about the willingness of the state government in Queensland to make a contribution.

Dr NELSON (Bradfield—Minister for Defence) (7.51 pm)—Firstly, I will go back to the comparative analysis. I would be very happy for senior personnel of the Royal Australian Air Force to provide the member for Hunter with a briefing in relation to the comparative analysis that it made.

Mr Fitzgibbon—With other aircraft?

Dr NELSON—It concluded that the Block II Super Hornet was the correct aircraft for Australia and that was the basis of the advice that was given to me in that respect. I would be very happy for the member for Hunter to be briefed in that respect. He might appreciate that not all of these things can be discussed in a public arena, but I will ensure that such a briefing is made available to him. To put it in plain language, if you are looking for a Ford performance vehicle, you do not go looking at Prados or Camrys. Our country is a Hornet country,
and the JSF is the correct aircraft for us. There are a whole variety of reasons why we are certainly not looking at an F15 or any of the other aircraft that are being vigorously promoted by companies that would like to make money from selling them to us.

As far as the Amberley school is concerned, this is a consequence of a major investment in and expansion of the RAAF air base at Amberley under this government. The state school, which is owned, operated and administered by the state government, does need to be relocated because where it currently is will be adjacent to single living quarters, which is most inappropriate. The Department of Defence is not by definition an organisation that would normally be funding schools as such. However, it is my view that we do have a responsibility to make a contribution to the relocation of that school in partnership with the Queensland department of education.

When I say ‘we’, I mean the Commonwealth, which would mean, in part, the Department of Education, Science and Training and, indeed, the Department of Defence. I believe we do have that responsibility, and I have asked my officials to work accordingly in that direction. I appreciate that the member for Hunter has political cousins in Queensland who are currently in government up there. To be perfectly fair, I think the Queensland state government should—and, I expect, will—come to the party and that we should be able to negotiate a mutually acceptable arrangement.

Mr FITZGIBBON (Hunter) (7.54 pm)—I thank the minister. I am not sure that I got any idea of a commitment from the Commonwealth to a school relocation, but the minister can add to that, given my response, if he so wishes. I want to jump quickly back to jet aircraft, because I did intend to ask the minister, so as to get it on the record, whether or not the government has ever made a formal approach to the United States administration for access to the F22 Raptor and, if so, whether the minister has had any response on that issue. I also ask the minister a question about the situation with tritium. Can the minister explain the current state of affairs in respect of the poor handling of radioactive tritium at the Bulimba army base in Brisbane? Can he explain why Defence was not properly licensed to handle such material at the time of the contamination?

Dr NELSON (Bradfield—Minister for Defence) (7.55 pm)—On the second issue, as far as tritium is concerned it is a radioisotope with a very low level of radioactivity. As the member for Hunter is aware, I have asked the department to conduct a full review of the history of tritium and possible exposure of personnel at Bulimba back to 1998, and I expect to receive that report by the end of this month. That is obviously being conducted in cooperation with and including ARPANSA, the Australian Radiation Protection and Nuclear Safety Agency. Once that report is received, it is my disposition to release it, by the way, but I will not make a final judgement on that until I have seen it. It would be irresponsible to do otherwise. But once I have received that, and if in consultation with the secretary, the CDF and ARPANSA we think it is necessary, then we will conduct a full review of the way that radioactive materials are handled right throughout the Defence organisation.

No, we have not asked the United States or the Pentagon for release of the F22A Raptor. The reason for that is that Australia can afford to buy, fly and maintain 100 aircraft. We currently have 71 FA18s and we have 26 F111s. What Australia needs, whilst the F22A Raptor is a brilliant air-to-air combat aircraft, is air-to-air combat and strike capability. The Joint Strike Fighter combines both. The tactical advantage conferred alone by speed and gravitational ma-
noeuvrability is not as dominant in the airspace as it once was. What Australia is building is a God’s eye view of the airspace, which means the Joint Strike Fighter is the fundamental platform with an airborne early warning command and control system, with the ground based Vigilair, which is the network centric air combat command and control system. We will also be putting in joint air-to-surface standback missiles, upgrading our FA18s. We will also have our KC30 air-to-air refuelers, and all of that and more will give Australia control of airspace not only through the capability and the JSF but also through, in my view, the best intelligence and situational awareness that you could want in a modern airspace.

We were also formally advised that the F22—we had not asked for the F22 but we were advised by the Deputy Secretary for Defense, Gordon England—is not available for sale. General Jeffery Kohler, who heads the United States Air Security and Defense, recently said that if the F22 were to be sold, it would have to be redesigned, rebuilt, retested and sold with a degraded capability. I was also told informally that protecting the software codes would be in the order of $US1.4 billion. But the simple answer is: Australia has not asked for it because it is not the right aircraft for us.

Mr FITZGIBBON (Hunter) (7.58 pm)—Mr Deputy Speaker, I am conscious that the football is about to start and I am told I am able to come back tomorrow if necessary; is that correct? Would you rather I just ask a couple more questions now? Are you happy for this to go on?

The DEPUTY SPEAKER (Mr Barresi)—I would like to advise the member that if I do not get to put the question before the bells ring then you will be coming back tomorrow.

Mr FITZGIBBON—I do not have anything so urgent as to drag the minister back tomorrow. I would like very quickly to ask the minister about the Westralia issue. I would like him to confirm that there will be an Ombudsman’s inquiry and that the terms of reference will be sufficiently broad to allow the Ombudsman to have a very close look at the so-called 1998 missing memo relating to the case—that is the memo, of course, supposedly coming from the interview of the agents with— (Time expired)

Debate adjourned.

Main Committee adjourned at 8.00 pm
QUESTIONS IN WRITING

Veterans’ Affairs: Employment Agencies
(Question No. 4583)

Mr Kelvin Thomson asked the Minister for Veterans’ Affairs, in writing, on 14 September 2006:

For each financial year since 1 July 2000, (a) which employment agencies has the Minister’s department engaged; (b) what was the total cost of engaging employment agencies; and (c) how many employees were placed by these agencies and, of those, which were employed on (i) an on-going and (ii) a non-on-going basis.

Mr Billson—The answer to the honourable member’s question is as follows:

• (a) For the period:
  • 2000-01 to 2003-04:

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<tr>
<th>Company</th>
<th>Employment Agencies</th>
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<tr>
<td>Adecco Australia Pty Ltd</td>
<td>Manpower Services (Australia) Pty Ltd</td>
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<td>Allstaff Australia Pty Ltd</td>
<td>Management Projects</td>
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<td>Black Range Developments Pty Ltd</td>
<td>Maxima Group Inc</td>
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<td>Burmax Consulting</td>
<td>MJS People Dynamics Pty Ltd</td>
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<td>Candle Australia Ltd</td>
<td>Mobiq Asia Pacific Pty Ltd</td>
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<td>Capacity Reporting Services Pty Ltd</td>
<td>OASIS Solutions Pty Ltd</td>
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<td>Careers Unlimited</td>
<td>Peoplebank Australia Ltd</td>
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<td>Castelain Pty Ltd</td>
<td>Premium Group</td>
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<tr>
<td>Corinella Services Pty Ltd</td>
<td>R&amp;D Professional IT Services Pty Ltd</td>
</tr>
<tr>
<td>CPIC.COM.AU Pty Ltd</td>
<td>Recruitment Management Company Pty Ltd</td>
</tr>
<tr>
<td>Cytech Intersearch Pty Ltd</td>
<td>Reitan Holdings Pty Ltd</td>
</tr>
<tr>
<td>Design Emergency</td>
<td>Select Australasia Pty Ltd</td>
</tr>
<tr>
<td>DFP Recruitment Services Pty Ltd</td>
<td>Skilled Group Limited</td>
</tr>
<tr>
<td>Drake</td>
<td>Spherion Recruitment Solutions Pty Ltd</td>
</tr>
<tr>
<td>Effective People Pty Ltd</td>
<td>Srigo Pty Ltd</td>
</tr>
<tr>
<td>Entity</td>
<td>Technocrats Pty Ltd</td>
</tr>
<tr>
<td>Finzac Pty Ltd</td>
<td>The Green &amp; Green Group Pty Ltd</td>
</tr>
<tr>
<td>Frontier Group Australia Pty Ltd</td>
<td>The One Umbrella</td>
</tr>
<tr>
<td>Fujitsu Australia Ltd</td>
<td>TMP Worldwide</td>
</tr>
<tr>
<td>Gillian Beaumont Recruitment</td>
<td>Westaff (Australia) Pty Ltd</td>
</tr>
<tr>
<td>Hobotech Pty Ltd</td>
<td>Wizard</td>
</tr>
<tr>
<td>Hugo Personnel Pty Ltd</td>
<td>Wizard Information Services Pty Ltd</td>
</tr>
<tr>
<td>Icon Recruitment Pty Ltd</td>
<td>Wizard Personnel &amp; Office Services Pty Ltd</td>
</tr>
<tr>
<td>IT Matters Recruitment Services Pty Ltd</td>
<td>Work Directions Australia Pty Ltd</td>
</tr>
<tr>
<td>Jet Personnel &amp; Recruitment</td>
<td>Wylken Pty Ltd</td>
</tr>
<tr>
<td>Julia Ross</td>
<td>Merit Solutions Pty Ltd</td>
</tr>
<tr>
<td>Julia Ross Hot</td>
<td>Stratego Consulting Pty Ltd</td>
</tr>
<tr>
<td>Kelly Services (Australia) Pty Ltd</td>
<td>ZTREM Pty Ltd</td>
</tr>
</tbody>
</table>

• 2004-05:

<table>
<thead>
<tr>
<th>Company</th>
<th>Employment Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adecco Australia Pty Ltd</td>
<td>Maxima Group Inc</td>
</tr>
<tr>
<td>Allstaff Australia Pty Ltd</td>
<td>Merit Solutions Pty Ltd</td>
</tr>
<tr>
<td>Candle Australia Ltd (including The One Um-</td>
<td></td>
</tr>
</tbody>
</table>

QUESTIONS IN WRITING
<table>
<thead>
<tr>
<th>2005-06:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adecco Australia Pty Ltd</td>
</tr>
<tr>
<td>Allstaff Australia Pty Ltd</td>
</tr>
<tr>
<td>Candle Australia Ltd (including The One Umb-</td>
</tr>
<tr>
<td>rella)</td>
</tr>
<tr>
<td>Careers Unlimited</td>
</tr>
<tr>
<td>Catalyst Recruitment Systems Ltd (including</td>
</tr>
<tr>
<td>Jet Personnel &amp; Recruitment)</td>
</tr>
<tr>
<td>DFP Recruitment Services Pty Ltd</td>
</tr>
<tr>
<td>Drake Australia Pty Ltd</td>
</tr>
<tr>
<td>Drake Personnel Ltd</td>
</tr>
<tr>
<td>Effective People Pty Ltd</td>
</tr>
<tr>
<td>Entity Solutions Services Pty Ltd</td>
</tr>
<tr>
<td>Gillian Beaumont Recruitment</td>
</tr>
<tr>
<td>Hudson Global Resources</td>
</tr>
<tr>
<td>Hugo Personnel Pty Ltd</td>
</tr>
<tr>
<td>Icon Recruitment Pty Ltd</td>
</tr>
<tr>
<td>Integrity Staffing</td>
</tr>
<tr>
<td>Inter Staffing Services Pty Ltd</td>
</tr>
<tr>
<td>Kelly Services (Australia) Ltd</td>
</tr>
<tr>
<td>Lefroy Employment Group</td>
</tr>
<tr>
<td>Merit Solutions Pty Ltd</td>
</tr>
<tr>
<td>North Coast Workforce</td>
</tr>
<tr>
<td>Peoplebank Australia Ltd</td>
</tr>
<tr>
<td>Professional Careers Australia</td>
</tr>
<tr>
<td>Recruitment Management Company Pty Ltd</td>
</tr>
<tr>
<td>Ross Human Directions Ltd (including Julia</td>
</tr>
<tr>
<td>Ross and Julia Ross Hot)</td>
</tr>
<tr>
<td>Select Australasia Pty Ltd</td>
</tr>
<tr>
<td>Skilled Group Limited</td>
</tr>
<tr>
<td>Staffing &amp; Office Solutions Pty Ltd</td>
</tr>
<tr>
<td>The Green &amp; Green Group Pty Ltd</td>
</tr>
<tr>
<td>Townsville Personnel Pty Ltd</td>
</tr>
<tr>
<td>Verossity Pty Ltd (formerly Spherion Re-</td>
</tr>
<tr>
<td>cruitment Solutions Pty Limited)</td>
</tr>
<tr>
<td>Wizard Personnel &amp; Office Services Pty Ltd</td>
</tr>
</tbody>
</table>

- (b) 2000-01 $688,718 excl GST
- 2001-02 $1,779,113 excl GST
- 2002-03 $1,664,247 excl GST
- 2003-04 $1,701,622 excl GST
- 2004-05 $2,031,189 excl GST
- 2005-06 $1,308,206 excl GST

QUESTIONS IN WRITING
(c) It is not cost effective to calculate how many employees were placed by these agencies as no central records are kept.

(a) The Australian War Memorial engaged the services of the following employment agencies since 1 July 2000:

- Adecco
- MIL
- Hays
- Renik
- Green and Green
- Ross Human Directions (Formerly Julia Ross and Ross Navigate)
- Informed Sources Pty Ltd
- Wilson

(b) The total cost of engaging employment agencies for the financial years since 1 July 2000 is contained in the following table:

<table>
<thead>
<tr>
<th>Agency Costs Agency</th>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
<th>2004/05</th>
<th>2005/06</th>
<th>2006/07 (to 5 Feb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hays Accounting</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$19,713.00</td>
<td>$11,146.00</td>
<td>$0.00</td>
<td>$26,371.00</td>
<td>$28,591.00</td>
</tr>
<tr>
<td>Green and Green</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$78,931.00</td>
<td>$121,114.00</td>
<td>$90,480.00</td>
<td>$7,470.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Informed Sources</td>
<td>$59,477.00</td>
<td>$21,359.00</td>
<td>$30,468.00</td>
<td>$64,204.00</td>
<td>$99,588.00</td>
<td>$69,801.00</td>
<td>$37,406.00</td>
</tr>
<tr>
<td>Renik</td>
<td>$113,668.00</td>
<td>$108,025.00</td>
<td>$90,343.00</td>
<td>$89,524.00</td>
<td>$105,243.00</td>
<td>$9,071.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>MIL</td>
<td>$354,916.00</td>
<td>$195,116.00</td>
<td>$344,761.00</td>
<td>$345,818.00</td>
<td>$203,233.00</td>
<td>$102,429.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Wilson</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$0.00</td>
<td>$117,919.00</td>
<td>$296,373.00</td>
</tr>
<tr>
<td>Adecco</td>
<td>$734,817.00</td>
<td>$927,839.00</td>
<td>$1,817,836.00</td>
<td>$42,626.00</td>
<td>$1,970,515.00</td>
<td>$1,967,618.00</td>
<td>$487,246.00</td>
</tr>
<tr>
<td>Ross Navigate</td>
<td>$23,373.00</td>
<td>$37,364.00</td>
<td>$36,354.00</td>
<td>$34,354.00</td>
<td>$32,354.00</td>
<td>$32,354.00</td>
<td>$32,354.00</td>
</tr>
<tr>
<td>TOTAL (incl GST)</td>
<td>$1,280,878.00</td>
<td>$1,252,339.00</td>
<td>$3,582,254.00</td>
<td>$2,682,947.00</td>
<td>$2,466,092.00</td>
<td>$2,203,972.00</td>
<td>$1,169,616.00</td>
</tr>
</tbody>
</table>

(c) The number of employees placed by employment agencies for the financial years since 1 July 2000 is contained in the following table:

<table>
<thead>
<tr>
<th>Agency Staff Numbers Agency</th>
<th>2000/01</th>
<th>2001/02</th>
<th>2002/03</th>
<th>2003/04</th>
<th>2004/05</th>
<th>2005/06</th>
<th>2006/07 (to 5 Feb)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hays Accounting</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Green and Green</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Informed Sources</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Renik</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>MIL</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Wilson</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Adecco</td>
<td>15</td>
<td>19</td>
<td>35</td>
<td>2</td>
<td>36</td>
<td>34</td>
<td>32</td>
</tr>
<tr>
<td>Ross Navigate</td>
<td>23</td>
<td>37</td>
<td>36</td>
<td>34</td>
<td>32</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>20</td>
<td>23</td>
<td>64</td>
<td>47</td>
<td>44</td>
<td>43</td>
<td>37</td>
</tr>
</tbody>
</table>

(c) (i) and (ii) All of the employees placed by employment agencies at the AWM for the financial years since 1 July 2000 were employed on a non-ongoing basis.

Finance and Administration: Telephone Costs

(Question No. 5078)

Mr Kelvin Thomson asked the Minister representing the Minister for Finance and Administration, in writing, on 7 December 2006:

For each financial year from 1 July 2004, what was the total cost to the Minister’s department of all (a) landline and (b) mobile telephone calls.

Senator Minchin—The answer to the honourable member’s question is as follows:

The total cost for landline and mobile telephone calls is identified in the table below.

QUESTIONS IN WRITING
The Department is unable to provide information for previous financial years. The Department paid consolidated invoices for landlines and has not separately identified the split between call costs and other charges (e.g. line rental) in the Departmental Financial Management Information System. The payment of mobile cost was devolved across the Department prior to the commencement of the current contract in financial year 05/06.

**Industry, Tourism and Resources: Electricity and Water**

*(Question No. 5219)*

Mr Kelvin Thomson asked the Minister for Industry, Tourism and Resources, in writing, on 6 December 2006:

- (1) For each financial year since 1 July 2004, what sum has the Minister’s department spent on (a) electricity and (b) water.
- (2) Since 1 July 2000, what measures has the department instigated to reduce electricity and water usage.

Mr Ian Macfarlane—The answer to the honourable member’s question is as follows:

- (1) (a) **Electricity**

  The Department of Industry Tourism and Resources has spent the following amounts on electricity:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$316,777</td>
<td>$344,919</td>
<td>$256,076</td>
<td></td>
</tr>
</tbody>
</table>

  - **Water**
    - The Department leases all its premises and the building owners pay for water usage. The Department has therefore not spent anything on water usage.

- (2) **Measures to Reduce Electricity and Water Usage**

  - The Department has recently relocated its central office operations into a purpose designed office building in Canberra. Industry House incorporates a wide range of measures to reduce electricity and water usage. The measures include:
    - **Electricity**
      - Building Management Systems to monitor and control lighting, power, mechanical services and lifts.
      - Solar hot water.
      - T5 light fittings with electronic ballasts and tri-phosphor tubes to reduce power consumption and allow the lights to dim.
      - Perimeter lighting that dims in strong sunlight.
      - Ultra-sonic motion detectors to control lighting in meeting rooms.
      - Provision of highly energy efficient frictionless chillers for supply of cool air.
      - Above ground car-parking is naturally ventilated - significantly reducing the need for mechanical extraction.
• Rationalisation of equipment (large centralised energy efficient photocopiers, printers, refrigerators).
• Thermal conductivity of the façade minimised, including thermal insulation in the spandrel panels.
• Double glazed windows with reflective surfaces and low-E film to reduce glare and heat gain/loss.
• Suspended slabs and perimeter walls are insulated.
• Swirl diffusers and low screens increase air-circulation efficiency.
• Smaller airconditioning zones allow finer and more efficient control of air temperature and supply.
• Close to public transport, facilities provided for cyclists and walkers.
• Heat extracted from the Server Room provides heating in the lobby all hours.
• Power factor correction equipment improves efficient use of power and avoids possible penalties imposed by the supply authority for poor power factor.

Water
• Rainwater collection tank and use of rainwater for WCs and irrigation.
• Water-free urinals.
• Sensor taps on hand basins eliminate water wastage (and are more hygienic).
• AAA rated fittings (such as dual flush toilets and water efficient shower heads) have lower water usage.
• Landscaping designed to increase infiltration of rainwater and reduce runoff.

Australian Prudential Regulation Authority

(Question No. 5332)

Mr Bowen asked the Treasurer, in writing, on 6 February 2007:

In respect of the data collected by the Australian Prudential Regulation Authority (APRA) regarding the early release of superannuation on severe financial hardship and compassionate grounds: (a) for each financial year from 2001-2002 to 2005-2006 and (b) at 1 July 2006, what was the (i) total number of claims received by trustees and retirement savings account (RSA) providers for early release of superannuation benefits on severe financial hardship grounds, (ii) total number of such claims approved by each trustee or RSA provider, (iii) total amount of funds released by each trustee or RSA provider; (iv) total number of claims received by APRA for early release of superannuation benefits on specified grounds, (v) total number of such claims approved by APRA and (vi) total amount of funds authorised for release by APRA.

Mr Costello—The answer to the honourable member’s question is as follows:

(a) (i) and (ii) Trustees are not required to report this information to APRA under the Financial Sector (Collection of Data) Act 2001 reporting requirements, and therefore APRA is unable to provide these data.

(iii) The information is not available. APRA continues to work with entities to improve their reporting to enable APRA to publish these data.

(iv) Total claims for release on specified grounds received by APRA:
  • 2001 – 11,763
  • 2002 – 11,186
• 2003 – 11,732
• 2004 – 11,300
• 2005 – 12,779
• 2006 – 16,500
• (v) Total claims approved (includes both partial and full approvals)
  • 2001 – 6,331
  • 2002 – 6,788
  • 2003 – 7,775
  • 2004 – 9,212
  • 2005 – 10,459
  • 2006 – 13,871
• (vi) Total amount of funds authorised for release:
  • 2001- $31,607,258.97
  • 2002 - $37,828,316.13
  • 2003 - $48,381,407.92
  • 2004 - $64,548,847.99
  • 2005 - $76,661,728.27
  • 2006 - $135,328,742.13
• Please note that the figures given are calendar year figures as this is the way APRA records these data.

(b) (i) and (ii) Trustees are not required to report this information to APRA under the Financial Sector (Collection of Data) Act 2001 reporting requirements, and therefore APRA is unable to provide these data.

(iii) The information is not available. APRA continues to work with entities to improve their reporting to enable APRA to publish these data.

(iv) Total claims for release on specified grounds received by APRA:
  • 1 Jan – 30 June 2006: 8449

(v) Total claims approved (includes both partial and full approvals):
  • 1 Jan – 30 June 2006: 7113

(vi) Total amount of funds authorised for release:
  • 1 Jan – 30 June 2006: $67,564,056.12

Operation Wickenby
(Question No. 5365)

Mr Bowen asked the Minister for Revenue and Assistant Treasurer, in writing, on 7 February 2007:

In respect of Operation Wickenby:

• (a) Has the Government revised, or does it intend to revise, the 2006-2007 Budget estimate of increased revenue consequent upon successful prosecutions;
• (b) What sum has been raised as a consequence of successful prosecutions;
• (c) Has the scope of the investigation altered with the change of name from “Project Wickenby” to “Operation Wickenby”;
• (d) How many taxpayers currently have matters before the court;
• (e) How many prosecutions have been launched under the operation; and
• (f) How many such prosecutions are expected to be launched within the next 12 months.

Mr Dutton—The answer to the honourable member’s question is as follows:
• (a) Not at this time.
• (b) There have been no completed prosecutions at this time. However as a result of the project activities, just under $30 million has been raised.
• (c) No. The scope of Wickenby remains unchanged. Operation Wickenby refers to the criminal investigations led by the Australian Crime Commission and Project Wickenby refers to the broader strategy involving all five partner agencies.
• (d) There are five matters before the criminal courts.
• (e) See (d) above.
• (f) It is not possible to predict.

Superannuation
(Question No. 5366)

Mr Martin Ferguson asked the Minister for Revenue and Assistant Treasurer, in writing, on 7 February 2007:
Further to his response to question No. 4957 concerning the Government’s Co-contribution Superannuation Scheme, how many people participated in the scheme in the postcode area (a) 3058, (b) 3070, (c) 3071, (d) 3072, (e) 3073, (f) 3078, (g) 3083 & (h) 3085.

Mr Dutton—The answer to the honourable member’s question is as follows:

Super Co-contribution payments by postcode for the period 1 July 2005 to 30 June 2006

<table>
<thead>
<tr>
<th>Postcode</th>
<th>2003-04</th>
<th>2004-05</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) 3058</td>
<td>47</td>
<td>1,244</td>
<td>1,291</td>
</tr>
<tr>
<td>(b) 3070</td>
<td>29</td>
<td>846</td>
<td>875</td>
</tr>
<tr>
<td>(c) 3071</td>
<td>38</td>
<td>1,020</td>
<td>1,058</td>
</tr>
<tr>
<td>(d) 3072</td>
<td>73</td>
<td>1,403</td>
<td>1,476</td>
</tr>
<tr>
<td>(e) 3073</td>
<td>67</td>
<td>2,301</td>
<td>2,368</td>
</tr>
<tr>
<td>(f) 3078</td>
<td>11</td>
<td>369</td>
<td>380</td>
</tr>
<tr>
<td>(g) 3083</td>
<td>59</td>
<td>1,862</td>
<td>1,921</td>
</tr>
<tr>
<td>(h) 3085</td>
<td>21</td>
<td>547</td>
<td>568</td>
</tr>
</tbody>
</table>

Co-contribution entitlements determined and paid during 2005-06 relate to personal contributions made in the 2003-04 or 2004-05 income years, depending on when the taxpayers’ income tax return and their fund’s membership contribution statement were lodged.

Media Ownership
(Question No. 5468)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 26 March 2007:
Further to the Minister’s response to question No. 5284 (Hansard, 14 February 2007, page 166), can the Minister say whether the Australian Competition and Consumer Commission (ACCC) can take into
account the implications for the public interest when the ACCC considers “the impact of media mergers on market concentration” following the proclamation of the Broadcasting Legislation Amendment (Media Ownership) Act 2006; if so, how; if not, why not.

**Mr McGauran**—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

The Minister for Communications, Information Technology and the Arts sought advice from the Treasurer in order to respond to this question as the Treasurer has portfolio responsibility for the ACCC.

The Treasurer has advised that the ACCC considers whether mergers, including media mergers, are likely to breach section 50 of the Trade Practices Act (Cth)(TPA).

Section 50 of the TPA prohibits mergers and acquisitions that would have the effect, or be likely to have the effect, of substantially lessening competition in a substantial market. Section 50 of the TPA is specifically concerned with the effect on competition of mergers.

Parties may also choose to apply directly to the Australian Competition Tribunal for merger authorisation under section 95AU of the TPA. Authorisation provides protection to an acquirer from court action under section 50 of the TPA. The Tribunal may grant authorisation if it is satisfied that the proposed merger would be likely to generate such a public benefit that the proposed merger should be allowed to proceed.

In relation to merger authorisations, the ACCC is required to provide assistance to the Competition Tribunal in its assessment of such matters. In particular, the ACCC is required to provide the Tribunal with a report on any authorisation application and the Tribunal is required to consider this report. In addition, the ACCC is entitled to appear before the Tribunal, provide evidence, examine and cross examine witnesses and make submissions as determined by the ACCC.

**Outside School Hours Program**

(Question No. 5474)

**Ms Macklin** asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 26 February 2007:

Is he aware of the closure of the outside school hours program run by The Nest Family Resource Centre Inc. in the Lower South West Region of Western Australia; if so, (a) what action was taken by his department to keep this program open, (b) how many children used the service prior to its closure and (c) what alternative care arrangements are available to parents whose children formerly used the program.

**Mr Brough**—The answer to the honourable member’s question is as follows:

I am aware of the closure of the outside school hours program run by the Nest Family Resource Centre Inc. which incorporates the following services; Dunsborough After School Care; Dunsborough Holiday Program; Busselton Vacation Care and Busselton Combined Outside School Hours Care.

My department provided Nest Family Resource Centre Inc. with support under the Child Care Support Program. Sustainability Assistance funding was provided from 1 July 2005.

In addition, the Western Australian Professional Support Coordinator offered professional advice, support and training to the service, including business and financial management support.

The decision to close the outside school hours care program run by the Nest Family Resource Centre Inc. is a business decision made by that particular organisation.

Prior to closure, the September 2006 quarter (3 July 2006 to 1 October 2006) reported the following number of children in attendance; 18 children at Dunsborough After School Care; 31 children at Dunsborough Holiday Program; 59 children at Busselton Vacation Care and 45 children at Busselton Combined Outside School Hours Care.
It is not possible to separately identify children attending the Before School Care and After School Care components of the Busselton Combined Outside School Hours Care services as they are combined on the Centrelink system.

There are two additional Vacation Care services located within 2.7 kilometres of the Busselton/Dunsborough area. There are also two Family Day Care Schemes in the Busselton area.

The 2006-07 Budget removed the limit on Outside School Hours Care child care places from 1 July 2006. This means that existing Outside School Hours Care services can now provide an unlimited number of child care places provided they meet relevant criteria, including state or territory licensing and regulation requirements and participate in Australian Government Quality Assurance processes. New services are also able to open in response to unmet demand.

Coverdale Christian School Ltd
(Question No. 5631)

Mr Laurie Ferguson asked the Treasurer, in writing, on 29 March 2007:
Was the Australian Securities and Investments Commission (ASIC) aware that Mr Geoffrey Clark, former principal of Coverdale Christian School Limited, Riverstone, NSW, was a director of the China-based Longway Industrial and Development Pty Ltd and held a 20 per cent stake in the shelf company 12 months after leaving his post as principal in June 2005; if so, what steps were taken by ASIC to ascertain whether any Commonwealth funding was used to establish Longway Industrial and Development Pty Ltd.

Mr Costello—The answer to the honourable member’s question is as follows:
The Australian Securities and Investments Commission (ASIC) advises that the details of Mr Geoffrey Clark’s directorship and shareholding in Longway Industrial and Development Pty Ltd are included on the company register it maintains, which is available for public search.

In addition, as a proprietary limited company, Longway Industrial and Development Pty Ltd is not required to lodge an audited financial report with ASIC. Therefore, there is neither a basis for ASIC to examine the report nor is it ASIC’s role to audit the report.

ASIC further advises that while it assesses every complaint it receives, it does not confirm or deny it has received complaints about a particular person or entity. If ASIC receives specific information regarding possible breaches of the corporate law, it will assess that information to determine what action, if any, is appropriate.

Welfare to Work
(Question No. 5646)

Ms Owens asked the Minister for Workforce Participation, in writing, on 8 May 2007:

• (1) How many people in (a) Australia, (b) NSW, (c) the federal electorate of Parramatta and (d) the postcode area (i) 2115, (ii) 2116, (iii) 2117, (iv) 2118, (v) 2142, (vi) 2145, (vii) 2146, (viii) 2147, (ix) 2148, (x) 2150, (xi) 2151, (xii) 2152 and (xiii) 2153 have had their welfare benefits cut off for eight weeks under the new Welfare to Work legislation, and what is the breakdown of that figure by benefit type.

• (2) What were the reasons for the benefit cut referred to in Part (1) and how many people faced the penalty for each reason identified.

Dr Stone—The answer to the honourable member’s question is as follows:

• (1) (a) The response is expected to be available in early June 2007 at the following location:

(b) to (2) The department cannot provide the other requested statistics as they are not publicly available.

Private Health Insurance
(Question No. 5648)

Ms Owens asked the Minister for Finance and Administration, in writing, on 29 March 2007:

• (1) How many (a) holders of private health insurance and (b) members of Medibank Private were there in:
  • (i) the federal electorate of Parramatta, (ii) the postcode area 2115, (iii) the postcode area 2116, (iv) the postcode area 2117, (v) the postcode area 2118, (vi) the postcode area 2142, (vii) the postcode area 2145, (viii) the postcode area 2146, (ix) the postcode area 2147, (x) the postcode area 2148, (xi) the postcode area 2150, (xii) the postcode area 2151, (xiii) the postcode area 2152 and (xiv) the postcode area 2153 at: (A) 1 August 2006, (B) 1 August 2004 and (C) 1 August 2001.

• (2) How many Medibank Private offices were there in (a) the federal electorate of Parramatta and (b) the postcode area of:
  • (i) 2115, (ii) 2116, (iii) 2117, (iv) 2118, (v) 2142, (vi) 2145, (vii) 2146, (viii) 2147, (ix) 2148, (x) 2150, (xi) 2151, (xii) 2152 and (xiii) 2153 at: (A) 1 August 2006, (B) 1 August 2004 and (C) 1 August 2001.

• (3) Are there any plans to close, relocate or reopen Medibank Private offices in (a) the federal electorate of Parramatta and (b) the postcode area of:
  • (i) 2115, (ii) 2116, (iii) 2117, (iv) 2118, (v) 2142, (vi) 2145, (vii) 2146, (viii) 2147, (ix) 2148, (x) 2150, (xi) 2151, (xii) 2152 and (xiii) 2153 in the next 12 months.

Mr Costello—The Minister for Finance and Administration has supplied the following answer to the honourable Member’s question:

• (1) (a) The Private Health Insurance Administration Council (PHIAC) collects data at the state level, which cannot be used to derive electorate level information, about private health insurance participation rates. Medicare Australia collects information at the postcode level, however the quality of the data produces unreliable statistics on private health insurance participation. I am, therefore, unable to provide the requested breakdown.

• (b) Medibank Private Limited has advised its contributors by post code/region are as follows:

<table>
<thead>
<tr>
<th>Post code/region</th>
<th>31-Jul-06</th>
<th>31-Jul-04</th>
<th>31-Jul-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parramatta electorate</td>
<td>19,498</td>
<td>18,936</td>
<td>20,441</td>
</tr>
<tr>
<td>2115</td>
<td>926</td>
<td>986</td>
<td>1,094</td>
</tr>
<tr>
<td>2116</td>
<td>801</td>
<td>626</td>
<td>712</td>
</tr>
<tr>
<td>2117</td>
<td>2,893</td>
<td>2,840</td>
<td>2,919</td>
</tr>
<tr>
<td>2118</td>
<td>4,365</td>
<td>4,283</td>
<td>4,327</td>
</tr>
<tr>
<td>2142</td>
<td>1,619</td>
<td>1,551</td>
<td>1,731</td>
</tr>
<tr>
<td>2145</td>
<td>7,684</td>
<td>7,401</td>
<td>8,222</td>
</tr>
<tr>
<td>2146</td>
<td>2,083</td>
<td>2,089</td>
<td>2,212</td>
</tr>
<tr>
<td>2147</td>
<td>4,063</td>
<td>4,249</td>
<td>4,942</td>
</tr>
<tr>
<td>2148</td>
<td>5,822</td>
<td>5,980</td>
<td>7,223</td>
</tr>
<tr>
<td>2150</td>
<td>2,004</td>
<td>1,794</td>
<td>2,124</td>
</tr>
<tr>
<td>2151</td>
<td>2,380</td>
<td>2,436</td>
<td>2,741</td>
</tr>
</tbody>
</table>
• In relation to the figures provided for the Parramatta electorate, please note:
  • 2001 Parramatta persons are estimated using 2001 electoral boundaries;
  • 2004 and 2006 Parramatta persons are estimated using 2004 electoral boundaries;
  • postcode 2123 was added to the Parramatta electorate in 2004;
  • postcode 2114 was removed (2.4% of people were registered in the Parramatta electorate in 2001); and
  • postcodes 2147 and 2148 were not part of the Parramatta electorate in 2001 or 2004.

(2) Medibank Private Limited has advised the number of Medibank Private Limited retail centres are as follows:
  • (a) There was one Medibank Private office in the electorate of Parramatta as at 1 August 2006, 1 August 2004 and 1 August 2001.
  • (b) There was one Medibank Private office in the nominated post code areas as at 1 August 2006, 1 August 2004 and 1 August 2001.

(3) Medibank Private Limited advises that it has no plans to amend the number of retail centres in the electorate of Paramatta in the next twelve months.

Media Ownership
(Question Nos 5653 and 5654)

Mr Murphy asked the Treasurer, in writing, on 29 March 2007:

• (1) Is the Minister aware that a media-specific divestiture power will not result in any compensation claims by shareholders where the Commonwealth does not acquire any media shares, assets or ‘property’, but orders (a) the reorganisation or division of media shares, assets or ‘property’ amongst existing shareholders or (b) the sale of any media shares, assets or ‘property’ for payment by a prospective purchaser; if not, why not.

• (2) Will the Minister seek an amendment to the Trade Practices Act 1974, to incorporate a media-specific remedy for divestiture where a corporation’s ownership of assets is anti-competitive or contrary to the public interest; if so, when; if not, why not.

Mr Costello—The answer to the honourable member’s question is as follows:

• (1) It is not clear what is meant by a media-specific divestiture power. Section 81 of the Trade Practices Act 1974 enables the Federal Court to order divestiture of shares or assets where it finds that a person has contravened section 50 of the Act, which prohibits a person from acquiring shares or assets if the acquisition would have, or be likely to have, the effect of substantially lessening competition in a market. Further, amendments to the Trade Practices Act commencing on 1 January 2007 enabled the Federal Court to order divestiture of shares or assets where a merger took place under the new merger clearance or merger authorisation processes, and information provided in support of the merger clearance or authorisation is later found to be false or misleading in a material particular (section 81A). Both sections 81 and 81A are provisions of general application and apply to all sectors within the Australian economy, subject to the specific exceptions to Part IV (Restrictive Trade Practices) listed in section 51. In addition, the recent Broadcasting Services Amendment (Media Ownership) Act 2006 provides ACMA with power to require divestitures for breaches of provisions of the Broadcasting Services Act 1992.
(2) The Trade Practices Act already enables the Federal Court to order divestiture of shares or assets where it finds that a person has contravened the merger provisions in section 50 of the Act – that is, where an acquisition of shares in the capital of a body corporate or assets of another person would have, or be likely to have, the effect of substantially lessening competition in a market.

Child Care
(Question No. 5699)

Ms Macklin asked the Treasurer, in writing, on 8 May 2007:

In respect of the trend modelling underpinning the second intergenerational Report, which was released in April 2007, what was the current average rate of (a) Child Care Benefit, (b) Family Tax Benefit Part A, (c) Family Tax Benefit Part B and (d) Maternity Payment.

Mr Costello—The answer to the honourable member’s question is as follows:

(a) (b) (c) (d) These second InterGenerational Report estimates are consistent with the forward estimates of expenditure and customer numbers for these payments, but will not match exactly because the second IGR was published more than a month before the Budget. Estimates of expenditure and customer numbers are matters for the Families, Community Services and Indigenous Affairs portfolio.