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SITTING DAYS—2007

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

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FORTY-FIRST PARLIAMENT
FIRST SESSION—NINTH PERIOD

Governor-General
His Excellency Major-General Michael Jeffery, Companion in the Order of Australia, Commander of the Royal Victorian Order, Military Cross

House of Representatives Officeholders
Speaker—The Hon. David Peter Maxwell Hawker MP
Deputy Speaker—The Hon. Ian Raymond Causley MP
Second Deputy Speaker—Mr Henry Alfred Jenkins MP

Members of the Speaker’s Panel—The Hon. Dick Godfrey Harry Adams, Mr Phillip Anthony Barresi, the Hon. Bronwyn Kathleen Bishop, Ms Ann Kathleen Corcoran, Mr Barry Wayne Haase, Mr Michael John Hatton, the Hon. Duncan James Colquhoun Kerr SC, Mr Harry Vernon Quick, the Hon. Bruce Craig Scott, Mr Patrick Damien Secker, the Hon. Alexander Michael Somlyay, Mr Kim William Wilkie

Leader of the House—The Hon. Anthony John Abbott MP
Deputy Leader of the House—The Hon. Peter John McGauran MP
Manager of Opposition Business—Mr Anthony Norman Albanese MP
Deputy Manager of Opposition Business—Mr Robert Francis McMullan MP

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

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

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

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

<table>
<thead>
<tr>
<th>Member</th>
<th>Division</th>
<th>Party</th>
</tr>
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<tbody>
<tr>
<td>Abbott, Hon. Anthony John</td>
<td>Warringah, NSW</td>
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<td>Fitzgibbon, Joel Andrew</td>
<td>Hunter, NSW</td>
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</tbody>
</table>
## Members of the House of Representatives

<table>
<thead>
<tr>
<th>Member</th>
<th>Division</th>
<th>Party</th>
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<tbody>
<tr>
<td>Forrest, John Alexander</td>
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<td>Gambaro, Hon. Teresa</td>
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<td>Gilmore, NSW</td>
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<td>Hall, Jill Griffiths</td>
<td>Shortland, NSW</td>
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<td>Wannon, Vic</td>
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<td>Werriwa, NSW</td>
<td>ALP</td>
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<td>Hasluck, WA</td>
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<td>Carlton, NSW</td>
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<td>North Sydney, NSW</td>
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<td>Scullin, Vic</td>
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<td>Tangney, WA</td>
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<td>Ryan, Qld</td>
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<td>Ballarat, Vic</td>
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<td>Fremantle, WA</td>
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<td>Farrer, NSW</td>
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### Members of the House of Representatives

<table>
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<th>Member</th>
<th>Division</th>
<th>Party</th>
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</table>
Members of the House of Representatives

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<tr>
<th>Member</th>
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<td>Washer, Malcolm James</td>
<td>Moore, WA</td>
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<td>Wilkie, Kim William</td>
<td>Swan, WA</td>
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<td>Windsor, Antony Harold Curties</td>
<td>New England, NSW</td>
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<td>Wood, Jason Peter</td>
<td>La Trobe, Vic</td>
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PARTY ABBREVIATIONS
ALP—Australian Labor Party; LP—Liberal Party of Australia; Nats—The Nationals;
Ind—Independent; CLP—Country Liberal Party; AG—Australian Greens

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

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

Treasurer
Minister for Trade
Minister for Defence
Minister for Foreign Affairs
Minister for Health and Ageing and Leader of the House
The Hon. Peter Howard Costello MP
The Hon. Warren Errol Truss MP
The Hon. Dr Brendan John Nelson MP
The Hon. Alexander John Gosse Downer MP
The Hon. Anthony John Abbott MP

Attorney-General
Minister for Finance and Administration, Leader of the Government in the Senate and Vice-President of the Executive Council
The Hon. Philip Maxwell Ruddock MP
Senator the Hon. Nicholas Hugh Minchin

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

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

Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women’s Issues
The Hon. Malcolm Thomas Brough MP

Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs

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

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

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

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

Minister for Human Services
Senator the Hon. Christopher Martin Ellison

(The above ministers constitute the cabinet)
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<th>Position</th>
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<td>Minister for Fisheries, Forestry and Conservation and Manager of Government Business in the Senate</td>
<td>Senator the Hon. Eric Abetz</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>Minister for Local Government, Territories and Roads</td>
<td>The Hon. James Eric Lloyd MP</td>
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<td>Minister for Revenue and Assistant Treasurer</td>
<td>The Hon. Peter Craig Dutton MP</td>
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<td>Minister for Workforce Participation</td>
<td>The Hon. Dr Sharman Nancy Stone MP</td>
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<td>Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence</td>
<td>The Hon. Bruce Frederick Billson MP</td>
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<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>Minister for Vocational and Further Education</td>
<td>The Hon. Andrew John Robb MP</td>
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<td>Minister for the Arts and Sport</td>
<td>Senator the Hon. George Henry Brandis SC</td>
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<td>Minister for Community Services</td>
<td>Senator the Hon. Nigel Gregory Scullion</td>
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<td>Minister for Justice and Customs</td>
<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>
<td>The Hon. John Kenneth Cobb MP</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon. Anthony David Hawthorn Smith MP</td>
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<td>Parliamentary Secretary to the Minister for Transport and Regional Services</td>
<td>The Hon. De-Anne Margaret Kelly MP</td>
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<td>Parliamentary Secretary to the Treasurer</td>
<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>Parliamentary Secretary to the Minister for Foreign Affairs</td>
<td>The Hon. Gregory Andrew Hunt MP</td>
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<td>Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry</td>
<td>The Hon. Sussan Penelope Ley MP</td>
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<td>Parliamentary Secretary to the Minister for Education, Science and Training</td>
<td>The Hon. Patrick Francis Farmer MP</td>
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<td>Parliamentary Secretary to the Minister for Defence</td>
<td>The Hon. Peter John Lindsay MP</td>
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<td>Parliamentary Secretary to the Minister for Health and Ageing</td>
<td>Senator the Hon. Brett John Mason</td>
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SHADOW MINISTRY

Leader of the Opposition
Deputy Leader of the Opposition, Shadow Minister for Employment and Industrial Relations and Shadow Minister for Social Inclusion
Leader of the Opposition in the Senate and Shadow Minister for National Development, Resources and Energy
Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology
Shadow Minister for Infrastructure and Water and Manager of Opposition Business in the House
Shadow Minister for Homeland Security, Shadow Minister for Justice and Customs and Shadow Minister for Territories
Shadow Assistant Treasurer and Shadow Minister for Revenue and Competition Policy
Shadow Minister for Immigration, Integration and Citizenship
Shadow Minister for Industry and Shadow Minister for Innovation, Science and Research
Shadow Minister for Trade and Shadow Minister for Regional Development
Shadow Minister for Service Economy, Small Business and Independent Contractors
Shadow Minister for Multicultural Affairs, Shadow Minister for Urban Development and Shadow Minister for Consumer Affairs
Shadow Minister for Transport, Roads and Tourism
Shadow Minister for Defence
Shadow Minister for Climate Change, Environment and Heritage and Shadow Minister for the Arts
Shadow Minister for Veterans’ Affairs, Shadow Minister for Defence Science and Personnel and Shadow Special Minister of State
Shadow Attorney-General and Manager of Opposition Business in the Senate
Shadow Minister for Sport and Recreation, Shadow Minister for Health Promotion and Shadow Minister for Local Government
Shadow Minister for Families and Community Services and Shadow Minister for Indigenous Affairs and Reconciliation
Shadow Minister for Foreign Affairs
Shadow Minister for Ageing, Disabilities and Carers

Kevin Michael Rudd MP
Julia Eileen Gillard MP
Senator Christopher Vaughan Evans
Senator Stephen Michael Conroy
Anthony Norman Albanese MP
The Hon. Archibald Ronald Bevis MP
Christopher Eyles Bowen MP
Anthony Stephen Burke MP
Senator Kim John Carr
The Hon. Simon Findlay Crean MP
Craig Anthony Emerson MP
Laurence Donald Thomas Ferguson MP
Martin John Ferguson MP
Joel Andrew Fitzgibbon MP
Peter Robert Garrett MP
Alan Peter Griffin MP
Senator Joseph William Ludwig
Senator Kate Alexandra Lundy
Jennifer Louise Macklin MP
Robert Bruce McClelland MP
Senator Jan Elizabeth McLucas
Shadow Minister for Federal/State Relations, Shadow Minister for International Development Assistance and Deputy Manager of Opposition Business in the House
Robert Francis McMullan MP

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

Shadow Minister for Human Services, Shadow Minister for Housing, Shadow Minister for Youth and Shadow Minister for Women
Tanya Joan Plibersek MP

Shadow Minister for Health
Nicola Louise Roxon MP

Shadow Minister for Superannuation and Intergenerational Finance and Shadow Minister for Banking and Financial Services
Senator the Hon. Nicholas John Sherry

Shadow Minister for Education and Training
Stephen Francis Smith MP

Shadow Treasurer
Wayne Maxwell Swan MP

Shadow Minister for Finance
Lindsay James Tanner MP

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

Shadow Parliamentary Secretary for Foreign Affairs
Anthony Michael Byrne MP

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

Shadow Parliamentary Secretary for Environment and Heritage
Jennie George MP

Shadow Parliamentary Secretary for Treasury
Catherine Fiona King MP

Shadow Parliamentary Secretary for Education
Kirsten Fiona Livermore MP

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

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

Shadow Parliamentary Secretary for Industry and Innovation
Bernard Fernando Ripoll MP

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

Shadow Parliamentary Secretary to the Leader of the Opposition (Social and Community Affairs)
Senator Ursula Mary Stephens
CONTENTS

MONDAY, 18 JUNE

Chamber
Delegation Reports—
  Australian Parliamentary Delegation to the Republic of Malta and Spain and
  Report on the Official Visit to Kuwait of the President of the Senate ..................... 1
Committees—
  Electoral Matters Committee—Report ................................................................. 3
Main Committee—
  Electoral Matters Committee—Reference ............................................................ 6
Committees—
  Australian Crime Commission Committee—Report .............................................. 6
  Economics, Finance and Public Administration Committee—Report ..................... 7
Main Committee—
  Economics, Finance and Public Administration Committee—Reference .............. 10
Committees—
  Employment, Workplace Relations and Workforce Participation Committee—
    Report .................................................................................................................. 10
Main Committee—
  Employment, Workplace Relations and Workforce Participation Committee—
    Reference ........................................................................................................... 13
Privacy Protection for Off-shoring Bill 2007—
  First Reading ......................................................................................................... 13
Independent Contractors Amendment Bill 2007—
  First Reading ......................................................................................................... 15
Late Payment of Government Debts (Interest) Bill 2007—
  First Reading ......................................................................................................... 16
Private Members’ Business—
  Free Trade ............................................................................................................ 17
Statements by Members—
  Vandalism Tourism .............................................................................................. 20
  New South Wales Flood ....................................................................................... 20
  Water ...................................................................................................................... 21
  Bass Electorate: Proposed Pulp Mill ................................................................. 21
  10th Light Horse Regiment ............................................................................... 22
  Broadband ............................................................................................................ 22
  Economic Management ....................................................................................... 23
  Economic Management ....................................................................................... 23
  Millennium Development Goals ...................................................................... 23
  E6 ......................................................................................................................... 24
  Southern Brisbane Bypass ................................................................................. 24
Questions Without Notice—
  Broadband .......................................................................................................... 24
  Broadband .......................................................................................................... 25
  Broadband .......................................................................................................... 26
  Broadband .......................................................................................................... 27
  Broadband .......................................................................................................... 28
  Future Fund ........................................................................................................ 29
  Broadband .......................................................................................................... 30
  Building and Construction Industry ................................................................. 31
  Broadband .......................................................................................................... 32
CONTENTS—continued

Budget 2007-08 ................................................................................................................. 32
Broadband ...................................................................................................................... .... 34
Workplace Relations........................................................................................................... 34
Broadband ...................................................................................................................... .... 36
Dental Health.................................................................................................................. .... 37
Broadband ...................................................................................................................... .... 38
National Security.............................................................................................................. .. 38
Broadband ...................................................................................................................... .... 39
Education...................................................................................................................... ...... 40
Liberal Party.................................................................................................................. ..... 41
Personal Explanations.......................................................................................................... .... 42
Questions Without Notice: Additional Answers—
   Workplace Relations........................................................................................................... 44
Questions to the Speaker—
   Standing Orders ................................................................................................................ .. 44
   Parliamentary Behaviour .................................................................................................... 44
   Parliamentary Behaviour .................................................................................................... 45
   Parliamentary Behaviour .................................................................................................... 45
Petitions—
   Immigration .................................................................................................................... .... 45
   Dental Health .................................................................................................................. .... 46
   Indigenous Australians ....................................................................................................... 46
   Iran ................................................................................................................................... .......... 46
   Water .................................................................................................................................. ........ 47
   Main North Road ................................................................................................................ 47
   Veterans Carers .................................................................................................................... 47
   Blood Donation ................................................................................................................... 48
   Medical Services ................................................................................................................ 48
   Same-Sex Couples .............................................................................................................. 48
   Air Command Band ............................................................................................................ 48
   Australian National Flag .................................................................................................... 49
   Firearms .............................................................................................................................. 49
   Dental Health ................................................................................................................... .... 49
Private Members’ Business—
   Fuel Prices .................................................................................................................... ...... 49
   Human Rights in Zimbabwe ............................................................................................... 57
   Schools Assistance (Learning Together—Achievement Through Choice and Opportunity) Amendment (2007 Budget Measures) Bill 2007,
   Evidence Amendment (Journalists’ Privilege) Bill 2007,
   Family Assistance Legislation Amendment (Child Care Management System and Other Measures) Bill 2007,
   Aboriginal Land Rights (Northern Territory) Amendment (Township Leasing) Bill 2007,
   Higher Education Legislation Amendment (2007 Budget Measures) Bill 2007,
   Forestry Marketing and Research and Development Services Bill 2007,
   Forestry Marketing and Research and Development Services (Transitional and Consequential Provisions) Bill 2007 and
   Financial Sector Legislation Amendment (Restructures) Bill 2007—
      Returned from the Senate ................................................................................................. 65
Grievance Debate—
   Education...................................................................................................................... .......... 65
CONTENTS—continued

Economy ........................................................................................................................ ..... 68
Passport Security .............................................................................................................. 71
Queensland Government ............................................................................................... 73
Workplace Relations ....................................................................................................... 76
Road Accidents ............................................................................................................... 78
Dental Health................................................................................................................... 80
Economy ........................................................................................................................ ..... 82

Food Standards Australia New Zealand Amendment Bill 2007—
First Reading .................................................................................................................. 84
Social Security Amendment (Apprenticeship Wage Top-Up for Australian Apprentices) Bill 2007—
Second Reading ................................................................................................................. 84
Third Reading .................................................................................................................. 106
Aged Care Amendment (Residential Care) Bill 2007—
Second Reading ................................................................................................................. 106

Appropriation Bill (No. 1) 2007-2008—
Report from Main Committee .......................................................................................... 120
Third Reading ................................................................................................................... 120

Appropriation Bill (No. 2) 2007-2008—
Report from Main Committee .......................................................................................... 120
Third Reading ................................................................................................................... 120

Appropriation (Parliamentary Departments) Bill (No. 1) 2007-2008—
Report from Main Committee .......................................................................................... 121
Third Reading ................................................................................................................... 121

Appropriation Bill (No. 5) 2006-2007—
Report from Main Committee .......................................................................................... 121
Third Reading ................................................................................................................... 121

Appropriation Bill (No. 6) 2006-2007—
Report from Main Committee .......................................................................................... 121
Third Reading ................................................................................................................... 121

Aged Care Amendment (Residential Care) Bill 2007—
Second Reading ................................................................................................................ 121

Adjournment—
Shortland Electorate: Survey ............................................................................................ 124
World Blood Donor Day .................................................................................................. 125
Workplace Relations ....................................................................................................... 126
Broadband ....................................................................................................................... 127
Scullin Electorate: Youth Survey ...................................................................................... 128
Industrial Relations ......................................................................................................... 130
Sheik Fehmi Naji el-Imam ............................................................................................... 131

Main Committee
Committees—
Economics, Finance and Public Administration Committee—Report ........................................... 132
Employment, Workplace Relations and Workforce Participation Committee—
Report ............................................................................................................................... 146

Appropriation Bill (No. 1) 2007-2008—
Consideration in Detail ..................................................................................................... 159
Prime Minister and Cabinet Portfolio .................................................................................. 159
Attorney-General’s Portfolio .............................................................................................. 169
Finance and Administration Portfolio ................................................................................ 174
CONTENTS—continued

Appropriation Bill (No. 2) 2007-2008—
  Second Reading................................................................................................................ 180
Appropriation (Parliamentary Departments) Bill (No. 1) 2007-2008—
  Second Reading................................................................................................................ 180
Appropriation Bill (No. 5) 2006-2007—
  Second Reading................................................................................................................ 180
Appropriation Bill (No. 6) 2006-2007—
  Second Reading................................................................................................................ 181

Questions In Writing
  Visas—(Question No. 3849) ............................................................................................ 182
  Industry, Tourism and Resources: Graduate Program—(Question No. 5025) ............. 182
  Finance and Administration: Stationery—(Question No. 5173).................................. 183
  Child Care—(Question No. 5369)................................................................................ 183
  Duty Free Cigarette Sticks—(Question No. 5686)............................................................ 185
  National Security—(Question No. 5728)...................................................................... 185
  Australian Federal Court: Hearsay Evidence—(Question No. 5734)......................... 186
Monday, 18 June 2007

The SPEAKER (Hon. David Hawker) took the chair at 12.30 pm and read prayers.

DELEGATION REPORTS

Australian Parliamentary Delegation to the Republic of Malta and Spain and Report on the Official Visit to Kuwait of the President of the Senate

Mr RIPOLL (Oxley) (12.31 pm)—I present the report of the Australian Parliamentary Delegation to the Republic of Malta and Spain from 14 to 24 April 2007 and the official visit to Kuwait of the President of the Senate from 24 to 26 April 2007. I had the great honour and privilege to be the deputy leader for the recent Australian parliamentary delegation to the Republic of Malta and to Spain. I would like to start by thanking Ms Andrea Griffiths, the delegation secretary, who is with the Department of the Senate, and also the private secretary to the President of the Senate, Mr Don Morris. They were extremely helpful to the delegation in both countries. I would like to thank the leader of the delegation, Senator the Hon. Paul Calvert, the President of the Senate, and also the delegation members: the Hon. Ian Causley MP, the member for Page, who is in the House this afternoon; the Hon. Warren Entsch MP; Senator Concetta Fierravanti-Wells; and Senator Andrew Murray. This was a very good delegation, and comprised people interested in both those countries. Even though our interest did not mean we knew everything about those countries, we obviously took a lot of interest in them.

While in Malta the objectives of the delegation were to renew and strengthen our ties with the Maltese parliament and people to gain a better understanding of some of the key economic, political and social issues which are always important to the exchanges between our two countries. We wished to exchange ideas to get a better understanding of how we work and to discuss issues of immigration and migration. We also discussed issues that relate particularly to Malta, such as desalination and water, something which is very close to all our hearts in Australia because of the current drought. Another objective was of course to enhance trade, investment and tourism, and to strengthen those bonds between our two countries. In Spain, the objectives of the delegation were similar: to renew and strengthen our ties with the parliament and the people; to learn a bit more about some of the domestic, economic, political and social issues in that country; and to have a better understanding of how our relationship works with that country.

I will give the House a bit of background on Malta, which I previously did not know a lot about. Surprisingly to me, and probably to many other people, it is a very small country that is made up of a number of archipelagos in the Mediterranean. It has an incredible history dating back many hundreds, even thousands, of years. What particularly ties Australia and Malta together is that Malta was involved in the Gallipoli campaign as part of the British armed forces. Quite a number of Australian servicemen who were wounded at Gallipoli were hospitalised in Malta. Malta was then known as the ‘nurse of the Mediterranean’. Those soldiers were there to recover, but those who unfortunately did not recover are buried in Malta. It was a great honour for the delegation to lay a wreath at the memorial at the Pietta Military Cemetery to commemorate Anzac Day 2007, which was a very moving experience for the whole delegation.

We also had the pleasure of meeting the President of Malta, His Excellency Dr Edward Fenech Adami, who recounted his visit to Australia and the relationship between our two people. We had some very good outcomes as far as the potential for future trade
and how we might learn from something that the Maltese do very well—that is, finance on the global scene. We met with both the chairman and the president of the Malta Financial Services Authority, and we exchanged some ideas with them. All in all it was a fantastic visit and a great experience, and it certainly strengthened the ties between Malta and Australia.

The delegation spent some time in Spain, which also has a fabulous and interesting history. I do not have time to go through it today, but a successful transition to democracy not so long ago and then joining the EU in 1986 made an incredible difference to Spain on all fronts. We had the great pleasure of having an audience with His Majesty King Juan Carlos I at which we spoke directly about some trade issues. It is great to see a monarch who, while he has his country at the forefront of his mind, can quickly move from the country and the people to trade and to how his country can do better from the relationship between our two nations.

We had a number of meetings with a range of people, from senators and members to chambers of commerce. We talked about trade. We talked about the relations between our two countries. We talked about terrorism and antiterrorism and how we can work better together in the global sense, taking particular interest in the fact that Spain has had to deal with terrorism at the local level for the past 40 years as well as with international terrorism. Spain has a wonderful culture of food, fun and tourism. Delegation members really appreciated and felt a great kindness and likeness between our two countries. It was a wonderful delegation. (Time expired)

Mr CAUSLEY (Page) (12.37 pm)—It is a pleasure to support the honourable member in the comments he has made about the President’s trip to Malta and Spain. I think all members of the Australian Parliamentary Delegation to the Republic of Malta and Spain were hit by the fact that we had not realised the importance of Malta in the Mediterranean. I certainly had not. When you go there and see the history you start to realise that anyone who was ever a power in the Mediterranean, from the Phoenicians on, controlled Malta. Of course it is very central to the Mediterranean. It has a flourishing economy and a very good standard of living. It has a population of only 400,000 people on two rocky islands. It has a lot of problems with water. In fact, it has three plants which, by osmosis, convert seawater to freshwater. The economy is quite strong. Because it is so close to the Suez Canal it has adapted to trade there. There is a free port where large container ships come into port. They unload and the cargo is then disseminated around Europe.

They also have a system that could be helpful to Australian companies. Since returning to Australia I have contacted a number of companies concerning a very lucrative arrangement whereby the Maltese government encourages companies to establish in Malta. Now that they have joined the EU— they speak perfect English; the last occupation was by the British—they are an excellent staging post for any Australian company wanting to get into the European market. That is something which made a strong impression on me and it is something that Australia should be aware of. The member for Oxley said that we have a very good relationship with Malta because of the fact that many Maltese have migrated to Australia. There are probably as many Maltese or Maltese descendents in Australia as there are on the island. We have a very strong relationship.

Spain is a very interesting country. It has many problems that Australia can identify with, particularly with border control and illegal immigration. It has problems concern-
ing fishing and neighbouring countries; the Canary Islands are part of Spain. In our discussions with Spain we were able to share our experiences. To an extent the problem of illegal immigration was to the fore in Malta as well. Spain is doing quite well at present. The economy is moving along strongly. It has problems with some of the provinces which want independence. That has been going on for a long time, as we know. Some of the issues with terrorism stem from that area. I believe that while the economy is moving along quite strongly many of the issues will remain fairly quiet. Many people who want independence never seem to think through the issues that will arise if they gain independence. What are they going to do about their economies? How are they to support themselves as an independent area? Those are very important questions. Spain is like Australia in many ways, although I would have to say that many of the provinces have more independence— if that is possible— than Australia’s states. It is interesting to see the way they deal with that issue.

As the member for Oxley said, we met some very eminent people in Spain, from King Don Juan Carlos I down to the President of the Senate, the President of the Congress of Deputies and other prominent people. We had some very in-depth discussions. Spain is currently bidding for a contract with the Australian Navy for the supply of some ships to the Australian Navy and was very keen to impress upon us the importance of that contract. The country is very colourful. There were bullfights every night we were there—not that we got to see one. We did see a display of horse carriages, Mr Speaker, that you would have envied—about 150. There were all the stately carriages of the past. We saw all the different ways of rigging horses, some of which I had never seen before. The display would have cost hundreds of thousands of dollars. It was very colourful and people were dressed up in their national costumes. I believe that the visit to Malta and Spain was very valuable. We certainly made good progress—(Time expired)

COMMITTEES
Electoral Matters Committee
Report
Mrs MIRABELLA (Indi) (12.41 pm)— On behalf of the Joint Standing Committee on Electoral Matters, I have great pleasure in presenting the committee’s first report for 2007 entitled Civics and Electoral Education.

Ordered that the report be made a parliamentary paper.

Mrs MIRABELLA—As one of the six longest continuous democracies in the world, Australia has a proud history and solid foundation of democratic principles. A basic understanding of our political and voting systems is fundamental to a vibrant participatory democracy. It is of some concern to the committee that surveys have shown that Australians between the ages of 15 and 35 typically have limited knowledge of Australia’s political history and political system and have little interest in Australian political affairs. Young people are not alone in this feeling of disconnection; evidence suggests that Indigenous Australians and migrant citizens also experience some difficulties in their interactions with the democratic process.

The committee’s inquiry sought to examine the reasons for low rates of electoral participation amongst young people, Indigenous Australians and migrants, and to find more meaningful ways to encourage citizens to participate more directly in Australian democracy, primarily based on their poor English language skills. The terms of reference for the inquiry were very broad, enabling us to hear from a diverse range of Australians, from school children and teachers to community leaders, academics and practitioners.
The committee conducted 11 public hearings which included hearings in every state and territory. The committee also visited 10 schools—both primary and secondary—and held two school forums, during which it held discussions with 244 students and 47 of their teachers.

The committee has made a series of recommendations which we believe will contribute to a healthier democracy with more citizens who are informed, involved and engaged in the issues that are important to them. While many of the committee’s recommendations focus on matters regarding the provision of civics education, we also recommend a number of practical measures aimed at reducing the disenfranchisement of eligible voters. Some of the committee’s key recommendations include: developing a short, focused electoral education unit to be delivered to either year 9 or 10 students and year 11 and 12 students, in all secondary schools; reassessing the parliament and civics education rebate as it affects students from the remotest parts of Australia; improving training and guidelines for polling officials communicating with Indigenous Australians; reviewing the languages which the Australian Electoral Commission currently translates its materials into, taking into account the languages spoken by more recent arrivals to this nation; and providing a program of electoral education in the lead-up to federal elections which specifically targets areas of high informal voting, including those with a high proportion of voters from non-English speaking backgrounds and those in areas where there are different voting systems in place for state elections.

I take this opportunity to thank my fellow committee members, including the previous chairman, Mr Peter Lindsay, for their dedication to the inquiry. I also acknowledge the support that the Australian Electoral Commission has provided to the committee throughout the inquiry. I particularly acknowledge the work done by the secretariat and greatly appreciate the efforts and work of Stephen Boyd, Justin Baker and their team, the secretariat, in bringing this report to fruition. I thank all the groups, organisations and individuals who gave their time to prepare submissions and appear as witnesses before the committee. That having been said, on behalf of my committee colleagues, I commend this unanimous report to the House.

Mr Griffin (Bruce) (12.46 pm)—Those opposite have deemed civics and citizenship education a ‘national priority’. While any proposed initiatives that encourage young people to become involved in the political process are welcome, it is important to point out that this government has a long history of disenfranchising voters, especially young voters. Recent changes made by the government to electoral laws will see thousands of people left off the electoral roll at the next election—a large number of those people will be young Australians. We already know by admission of the Electoral Commissioner that only one in two 18-year-olds are on the electoral roll and changes to proof of identity requirements will only make it harder for those young people to enrol. In an attempt to appear like the government is concerned about the state of the electoral roll it provided the AEC with $18.2 million over five years to publicise these changes. However, it is important to put this contribution into perspective. Figures revealed to date show that the sum of what the Howard government has already spent since its election in 1996 on advertising, and has already budgeted to spend, will be over $1.8 billion by polling day. The message from this government is loud and clear—if it is in their political interest to advertise, they will spare no expense, but if it is about informing the Australian community about the reforms that
make it harder for them to enrol and cast their vote it will go quietly into the night.

There are a number of recommendations in this report worth mentioning which promote youth engagement and involvement and which Labor supports and would like to see actioned as soon as practical, including the following. Recommendation 5 recommends that the Australian Electoral Commission be granted sufficient funds to create several electoral education officer positions in each state and territory with responsibility for the development and presentation of electoral education teaching resources. Given the number of young people currently not on the electoral roll, this is an important initiative. Schools provide an opportunity for a large targeted audience, but it is also just as important to ensure that other measures are designed to target those young people who are no longer at school. Recommendation 10 recommends that a modified civics education website be created for Indigenous audiences and recommendation 11 recommends that the Australian Electoral Commission provide adequate training and guidelines for polling officials in communicating with Indigenous Australians.

We know that anecdotal evidence suggests that Indigenous Australians are failing to comprehend questions put to them by electoral officials and, given the frequency of assisted voting and the high rates of informal voting in the Indigenous community, these are extremely important initiatives. However, it is astonishing that this report makes so many recommendations regarding further investigations. For example, instead of simply recommending that the AEC email all year 12 students an enrolment form and/or send them birthday enrolment cards as a matter of course, feasibility studies are to be conducted to determine the practicality and cost. Unfortunately, I anticipate that if the Howard government is re-elected the implementation of these recommendations may never see the light of day.

In trying to ensure that young people are engaged, we need to move from communication methods of the past and keep up with changes in technology that are effective in targeting a new generation of voters. This poses challenges not only for the Electoral Commission but for members from both sides of this House. We need to ensure that young Australians take ownership of their system of government at the earliest age possible, through better and more widespread targeted education and far more effective enrolment methods. Under a Rudd Labor government this will be a priority. Under the Howard government, there has been nothing but years of inaction followed by legislation restricting the capacity of eligible electors to enrol. A far more focused approach must be adopted to restore fairness to our electoral process, and a far greater emphasis must be placed on providing every opportunity for young Australians and others disenfranchised by these changes to enrol with ease.

This report raises some important issues, but only goes part of the way towards establishing the answers. It is a useful contribution in itself, and I take this opportunity to thank the committee secretariat for their hard work in preparing this report. But I would urge the House to realise that this is only part of the answer and that more needs to be done. The changes this government have made have made it more difficult for people to be part of the process. This report identifies some of the errors of their ways.

The SPEAKER—The time allotted for statements on this report has expired. Does the member for Indi wish to move a motion in connection with the report to enable it to be debated on a later occasion?

Mrs MIRABELLA (Indi) (12.51 pm)—I do, Mr Speaker, and in doing so I hope that
others who speak to this motion actually speak to the matters in the report and do not use it to make partisan political comment, particularly as they had an opportunity to make suggestions to the report.

The SPEAKER—Order!

Mrs MIRABELLA—I move:

That the House take note of the report.

The SPEAKER—In accordance with standing order 39, the debate is adjourned and the resumption of the debate will be made an order of the day for a later hour this day.

MAIN COMMITTEE

Electoral Matters Committee

Reference

Mrs MIRABELLA (Indi) (12.52 pm)—I move:

That the order of the day be referred to the Main Committee for debate.

I note that the report was unanimously supported by all members of the committee.

Question agreed to.

COMMITTEES

Australian Crime Commission Committee

Report

Mr KERR (Denison) (12.52 pm)—On behalf of the Parliamentary Joint Committee on the Australian Crime Commission, I present the committee’s report entitled Examinations of the Australian Crime Commission annual report 2005-2006, together with evidence received by the committee.

Ordered that the report be made a parliamentary paper.

Mr KERR—If only it were normally so easy to have resolutions pass through this House! The report was tabled by the chair of the committee, Senator the Hon. Ian Macdonald, on 13 June 2007 in the Senate. I will not repeat the whole of the tabling statement.

I will, however, refer the House to the principal finding of the committee:

2.181 The committee found that the ACC appears to be working efficiently and effectively, with appropriate and extensive governance and accountability arrangements and a clear sense of purpose and direction in achieving its goal of enhanced Australian law enforcement capacity.

The committee’s report on this occasion did not make specific recommendations but, as the chair has reported in the Senate, it highlighted a number of recommendations from our previous reports as being of enduring relevance and worth. We would urge that this House, the Senate and the executive government—together, of course, with the Crime Commission itself—act to ensure that they are implemented. These include the recommendation that the Commissioner of Taxation be appointed to the board of the Australian Crime Commission, a recommendation that is awaiting a government response, and a further recommendation that the Australian Crime Commission annually prepare and release a declassified version of the Picture of Criminality in Australia report. I understand work is proceeding on such an unclassified report. The government accepted this recommendation in its response of 17 August last year.

We do look forward to this publication. It would serve the kind of purpose that the Defence white paper provides for Defence spending and initiatives, allowing an informed public debate. Not only has the committee itself on repeated occasions called for such an unclassified version of the report, a practice that was suspended after the election of the Howard government replacing the former Keating government where this initiative was first implemented; now that it has been adopted in principle and the process is being gone through, we can only hope that it is brought out early enough so that we have a serious and substantive debate on issues con-
fronting our law enforcement community rather than the kind of hyperbolic, disconnected-from-reality debates that too often characterise pre-election posturing in election debates in Australia.

Might I also mention the abiding issue that is referred to by the chair regarding how performance can be measured in an accurate, meaningful and useful way in law enforcement. We welcome in this report the Australian Crime Commission’s current efforts, in partnership with an academic institution and a partner agency, to develop a system to better measure the effectiveness and value of intelligence information, and the effectiveness and efficiency of law enforcement generally. This is an issue that requires serious examination. I do not purport here to speak on behalf of the committee, but my own reflections over at least two decades of public involvement in law enforcement say that there may be some merit in having a Productivity Commission examination of law enforcement across the nation, not with a view to be destructive and to try and impose some kind of neoliberal philosophical straitjacket on the way in which we approach law enforcement but to try and get some rigour into assessment of efficiency and effectiveness in the law enforcement environment.

I very much welcome the ACC’s initiatives in this regard, to step out some of the ground that needs to be marked in order to have a serious and effective examination of an area where we do spend very large amounts of public resources. We expect our law enforcement resources to be utilised effectively and wisely and yet we have not yet developed effective and comprehensive assessment mechanisms for their operational effectiveness. I do not want to discount what the police do or what the Australian Crime Commission or our intelligence agencies do, but developing some sort of effective overarching mechanism of assessment would be in the public interest. I thank the chair for the opportunity to make these comments. (Time expired)

Economics, Finance and Public Administration Committee

Report

Mr BAIRD (Cook) (12.57 pm)—On behalf of the Standing Committee on Economics, Finance and Public Administration, I present the committee’s report entitled Servicing our future: inquiry into the current and future directions of Australia’s services export sector, together with the minutes of proceedings.

Ordered that the report be made a parliamentary paper.

Mr BAIRD—It is my pleasure to present this report to the House today and to commend the secretariat of the economics committee—Stephen Boyd and Andrew McGowan in particular, but the rest of the staff also—on a very professional piece of work in terms of the report before the House. When people think about the Australian economy, thoughts usually centre on the agriculture and mining sectors, but it is in fact the services sector which dominates Australia’s economy, accounting for around 75 per cent of output and 85 per cent of employment. Exports of services account for more than 20 per cent of total exports—much more than rural exports, and of a similar size to manufacturing exports.

The inquiry was referred to the committee by the Treasurer, the Hon. Peter Costello MP, in May 2006. The committee was tasked with identifying the challenges posed to the sector by the resources boom as well as highlighting issues and opportunities for the sector into the future. The report title, Servicing our future, is indicative of the committee’s view that services exports will become increasingly important to the Australian economy.
The resources sector is currently experiencing a well-publicised boom. A boom is by definition a temporary occurrence, but predicting how long it will last is very difficult. Indeed, most of Australia’s leading economists have made incorrect forecasts about the length of the boom. Commodity prices have stabilised over the past year but remain around their peaks. It is unlikely that demand from China and other emerging economies will subside anytime soon. However, a huge amount of mining investment continues to occur around the world, indicating that the world’s mining capacity will increase markedly in the coming years. As capacity increases, some fall in commodity prices is likely. If, as a result, the Australian dollar depreciates there will be increased opportunity for Australia’s other export sectors, including services.

It was evident throughout the inquiry that there are a number of issues relevant to the services sector as a whole. This degree of commonality gives cause for the committee’s recommendation for a minister for the services sector. The committee believes that the sector would benefit from enhanced government recognition and coordination.

An issue common across the services sector is the shortage of skills and labour. The strategies to make training more flexible and relevant are undoubtedly the most important solution to the shortage. However, because of the time it takes to learn new skills, training cannot provide solutions to the shortages that exist now. The committee believes that there is a need to introduce a program of lower-skill migration to fill shortages in industries such as tourism.

Inbound tourism is Australia’s biggest services export and amongst the top export earners across all industries. The industry set new records in terms of arrivals and exports in 2005-06, but in real terms it has performed modestly since the Olympics. The committee believes that, given its importance and recent variable performance, there is scope for an independent examination of the future of inbound tourism.

The committee believes that the issue of rogue operators in the tourism industry must be addressed. The industry cannot afford to continue to have its reputation compromised, and, as importantly, international tourists should not be subjected to illegal practices. The committee is concerned by the ACCC’s inaction on this matter and recommends that more federal and state resources be committed to eradicating rogue operators.

I would like to thank my colleagues the members of the committee for their cooperation and dedication to the task in preparing this in a very bipartisan way. International education is the second largest services export. A $10 billion industry in 2005-06, the industry is expected to continue good growth in the near term but significant competitive challenges are on the horizon.

The committee received evidence on a range of other service industries during this inquiry. In general these industries are important domestically, and there appears to be scope for them to significantly increase their level of exports. The common growth-constraining issue was non-tariff trade barriers. The committee recommends that the government give greater priority to services trade issues in future trade negotiations. Finally, on behalf of the committee, I would like to thank the organisations and individuals that participated in this inquiry, and the members of my committee in producing this report. (Time expired)

Ms Bird (Cunningham) (1.02 pm)—I would like to take the opportunity before the House today to join my colleague the member for Cook, Chair of the House of Representatives Standing Committee on Econom-
ics, Finance and Public Administration, in addressing its report on the services sector—in particular, the role of the services sector into the future in a potential postboom period. I should acknowledge that I came to the committee quite late in the inquiry, and I would like to thank the members of the committee and the secretariat for their efforts in ensuring that I was brought up to speed very quickly on the details of what had gone before in the inquiry. I would also like to acknowledge a member of my staff, Brett Reed, who did some extensive research on the evidence that had been presented to the committee prior to my joining it, so that I was able to join well informed.

The important issue to take out of this report is that there is no doubt that the services sector is a critical component of not only our domestic economy but also our export future. It was particularly heartening at some of the public inquiry meetings to hear from industries and groups that were doing extraordinarily innovative things in developing and producing service products that are doing very well as export earners. It epitomised very much why Australia has punched above its weight economically for so long. These people came to their particular sector of the services industry with the view that they were problem solvers, innovative thinkers, friendly and professional and all of those aspects that one automatically thinks of with regard to Australians dealing and trading in the international scene. You could see the excitement around what they were doing and the enthusiasm that they brought to that. That was evident in the two big sectors of the service industries—the tourism and education sectors—but it was also evident, I think far more significantly, among some of the emerging services sector providers, in particular the finance sector, the medical sector and the construction and engineering sectors, with some of the things that are being achieved in those areas.

What also became glaringly obvious throughout the inquiry was that to some extent in Australia we are just getting on with doing it and there is not enough analysis and review of what works and what does not work, what the barriers are and what the government could do to intervene. The chair on numerous occasions had to strongly encourage people to tell us what they would like government to do in order to facilitate the growth of this sector. There was some good evidence. Our trade recommendations take up some important recommendations about how too often we focus in trade negotiations on what we see as our crisis sectors—sectors which we are certainly aware can be under great threat and therefore give greater focus to. Agriculture and manufacturing are obviously those two sectors.

When involved in trade negotiations, people in the services sector encounter serious barriers that are slightly different to those we are used to dealing with in trade negotiations but that are no less important. In particular, that relates to things like the regulations that may be imposed in the nation in which they are trying to do business—for example, regulations around qualifications and the percentage of foreign work that can be done on jobs. We heard particularly from the engineering sector that these sorts of things can be extraordinarily complex. An example is one piece of evidence related to the United States: if you are trying to do business in the engineering and building sector, you have different codes, requirements and regulations from state to state there. For many Australian businesses attempting to work in that environment, these can become quite obstructive to the expansion of their business.

In the report there are some very important recommendations about not only the
Mr HARDGRAVE—This report makes an important contribution to the future of the Australian tourism industry. The findings of the committee reflect the pressures facing an industry that is experiencing steady growth, without the corresponding growth in the number of available workers. The committee was told that there are many employers desperately seeking employees, from managers to waiters, housekeepers and chefs.

The tourism industry is an impressive one. It employs some 550,000 people, contributing 5.6 per cent of total employment and 3.9 per cent of total GDP. It also contributes to Australia’s reputation on the world stage, with a high number of international tourists. The committee has made a series of recommendations aimed at better placing the industry to meet the challenges of its high workforce needs. The report discusses the disparity in data and the difficulties this poses in workforce planning. Recommendations are made aimed at the compilation and analysis of employment data.

Being a seasonal industry, tourism operators have challenging workforce planning needs. There are significant peaks and troughs in employment demand and, while there is scope for operators to share common pools of employees, the lack of industry coordination means that these opportunities are often missed. The committee has recommended that support be given to the development of a seasonal workforce management plan that will better focus on building community and industry-wide cooperation.

Migrant labour is heavily used by the tourism industry, largely in the form of backpackers on working holiday visas. The committee has recommended an extension of these visas for individuals who undertake work in rural or regional areas. The committee is aware that there is little departmental support for this recommendation, but having
reviewed the evidence, we see no good reason for this approach.

The report also discusses the lengthy delays in the issuing of business visas. While in Broome, the committee heard that often these delays were longer than the season the visa was actually sought for. These unacceptable delays place a heavy burden on industry.

The suitability of the migration occupations on demand list is discussed in the report. The committee calls for a review of the MODL to recognise that many skilled occupations in areas of demand include front-of-house staff in restaurants. While they meet national training standards, the MODL criteria are too restrictive and are causing a genuine problem, which can be fixed by following the committee’s approach.

Recommendations are also made calling on the immigration program to better address labour shortages in rural and regional areas, and make better use of the large pool of international students undertaking tertiary qualifications but who are unable to work for extended periods in Australia.

The recruitment and retention practice of the industry varies greatly. There are many small and medium sized owner-operated businesses with little human resource management experience. There is a need for industry to endorse and promote the value of multi-employer career paths. The committee recommends establishing an industry leaders forum to draw together the industry and focus on the mutual benefits of career paths. We also recommend the use of the experience of the ‘grey nomads’ as a valuable addition to the tourism workforce. It is a group which seems to be forgotten by a sector that all too often looks for cheap young labour. The report also highlights that Indigenous tourism is on the rise, but without the corresponding growth in Indigenous employment.

Research needs to be undertaken on how to better involve the First Australians in tourism employment.

The report discusses the ‘culture of turnover’ in the industry. With some employers reporting turnover rates of up to 400 per cent, the industry needs to reduce staff turnover costs with an investment in retention. We believe there needs to be an incentive for workers to stay in the industry. The establishment of an industry long service leave scheme will allow workers who follow a career with multiple employers to have recognition of their commitment to the industry.

Training is discussed at length. There are inconsistencies between nationally recognised and suitable in-house training, and this needs to be improved. The report makes a series of recommendations supporting this. Chief amongst these is the need to change the funding regime for national training to one that is competence rather than time based. This change will allow training to be delivered to employees who work seasonally and gain skills and experience which would then be recognised in the formal training system.

Many seem to see tourism jobs as something you do until another career comes along, yet in other parts of the world tourism professionals are highly regarded. The report recognises that, and recommends that a professional body be established charged with formally recognising and accrediting individuals against prescribed experience. (Time expired)

Mr Hayes (Werriwa) (1.13 pm)—I am happy to follow the member for Moreton in speaking on this report of the Standing Committee on Employment, Workplace Relations and Workforce Participation. I am very happy to be associated with this report. Unlike what was indicated by the member
for Moreton, there is no dissenting report included in this document.

I congratulate the member for Moreton on his personal style of inclusiveness and, dare I say, enthusiasm. He certainly led the committee in such a way that there was very much a genuine bipartisan spirit and clearly one that was focused on the committee’s outcomes. So I do commend the report. I intend to speak in the Main Committee later about the attention, effort, dedication and professionalism of the secretariat. That is a resource that we should never take for granted. Their efforts in these inquiries always amaze me.

To give a snapshot of the industry: it employs over half a million people, it generates in excess of $17 billion of annual export earnings and it contributes 3.9 per cent of the GDP of the Australian economy. It is predicted that we will see strong growth in the industry, particularly through development of the Indian and Chinese markets as well as an expanding domestic market. This is clearly a very important industry. It is important economically and culturally and it is certainly a significant employment generator. It is an industry of enormous opportunity for this country.

While the committee’s report and recommendations were made without dissent, Labor members, in their additional comments, sought to highlight three factors which were widely regarded during the inquiry as significantly affecting the industry’s ability to attract and retain staff. These are: low pay and poor conditions; a lack of investment in training and staff development, which the member for Moreton referred to; and a reliance on temporary employees and the use of 457 visas as opposed to providing industry career opportunities—if you like, the job you have before having a real job.

Labor members observed that the application of Work Choices in an industry such as tourism—which was universally recognised throughout the inquiry as being characterised by hard work, low pay and poor conditions—could only result in the lowering of pay for an already low-paid sector of the Australian workforce. The House will recall recent debates concerning the Australian Hotels Association’s template AWA, which relied upon the Lilac City Motel—which provides for a minimum wage of $13.47 an hour, no penalty rates, no shift loading, no overtime, no payment for public holidays and no rest breaks—and the impassioned defence that the Prime Minister sought to make of that agreement.

As that was a template AWA prepared by the industry association, the committee should have not been surprised that the most outspoken supporter of Work Choices was Mr Peter Olah of the very same industry association. In his evidence to the inquiry Mr Olah conceded that there were regular breaches of industrial relations laws and non-adherence to award conditions throughout the industry. More surprisingly, Mr Olah conceded that Work Choices assisted the industry by allowing what had hitherto not been legal to be made legal. That was the evidence from one of the peak bodies of the industry, which wants to argue for greater access to overseas workers—guest workers, if you like—and which not only concedes the practice of award avoidance but designs template AWAs for its members that rely on minimum pay and conditions as being standard in the industry.

The one resounding message from all parts of the industry is that Work Choices is only allowing those in an already low-paid industry to be paid less. Hotel staff, bar staff, cleaners and restaurant staff all feel that Work Choices opens the floodgates, allowing their wages and conditions to remain con-
stantly under threat in a highly competitive market. I will take the opportunity in the Main Committee to refer to various recommendations of this report, which received the bipartisan support of all members of the committee. I commend this report to the House.

The DEPUTY SPEAKER (Hon. IR Causley)—The time allotted for statements on this report has expired. Does the member for Moreton wish to move a motion in connection with the report to enable it to be debated on a later occasion?

Mr HARDGRAVE (Moreton) (1.18 pm)—I move:

That the House take note of the report.

The DEPUTY SPEAKER—In accordance with standing order 39, the debate is adjourned. The resumption of the debate will be made an order of the day for a later hour this day.

MAIN COMMITTEE
Employment, Workplace Relations and Workforce Participation Committee Reference

Mr HARDGRAVE (Moreton) (1.19 pm)—I move:

That the order of the day be referred to the Main Committee for debate.

Question agreed to.

PRIVACY PROTECTION FOR OFF-SHORING BILL 2007

First Reading

Bill and explanatory memorandum presented by Ms Burke.

Ms BURKE (Chisholm) (1.19 pm)—I present the Privacy Protection for Offshoring Bill 2007, which seeks to amend the Financial Management and Accountability Act 1997 and the Trade Practices Act 1974 to regulate the transmission of personal identification data for processing outside Australia. It is to be seconded by the member for Lowe.

While most of us have declined the offer to surrender our bank details to email scams from members of the ‘Nigerian royal family’, the current trends in cutting the cost of managing personal data could render choices such as these obsolete. Numerous major Australian firms in the areas of banking, finance, IT, communications, airlines and other sectors have already been sending the jobs of workers who manage sensitive personal data to other countries—all in the name of cost cutting. You only need to look at the FSU’s bank cheque website to see that ANZ has sent off payment transaction processing, trade finance processing, international customs payments and other inquiries. The roles sent include customer inquiry and payment investigation processing. This means that associated customer details have already been sent offshore. And, on the whole, the consumer has not been informed about their private details leaving the country to be stored and managed by someone outside Australia and often outside the jurisdiction of Australian laws. The bill I present today seeks to ensure that consumers have the right to know if their personal information is being sent offshore before it is sent, are given the right to object to their information being sent offshore and will suffer no discrimination because of that refusal.

Offshoring refers to jobs and/or processes being moved overseas. Indeed, offshoring is a big business. It is estimated that the global market for outsourced IT and business process services was over US$322 billion in 2003 and is growing. The OECD recently predicted that close to 20 per cent of all work performed in Australia could potentially be offshored. This would equate to almost two million jobs leaving the country. Research by McNair Ingenuity in 2006 found that: 85 per cent of Australians are concerned about the
security of their personal information being accessed in foreign countries, 85 per cent agree that the government should require all financial institutions to disclose whether they store customer information overseas, 90 per cent would choose a bank that kept their information in Australia rather than overseas and 91 per cent believe that their personal information should not be stored offshore without their written permission. The ‘right to know’ principle has been adopted in France, and legislation has been introduced into several state legislatures in the United States of America.

The level of data security may be inferior in the countries where jobs and/or processes are located. Currently in India, where most of this work is going, there is the Penal Code and the Information Technology Act 2000, which provide criminal penalties for unauthorised access to computer data. But there is no privacy legislation. Press reports in India have indicated that there will be greater privacy protection, because it is an area of concern in that country, particularly for overseas data. In the US there is no national comprehensive law on data protection, although several states have introduced some form of privacy protection. This lack of protection may expose consumers to an increased, and unknown, risk when dealing with companies that have call centres or other processes located in those countries.

Even in countries with strong data protection legislation there have been massive security breaches. During the first half of 2005, cybercriminals hacked into a credit card processing company in Arizona, USA; as a result, the private financial details of approximately 40 million people, including an estimated 130,000 Australians, were compromised. Interestingly, the fraud was actually detected by the National Australia Bank’s credit card fraud unit located in Melbourne, Australia.

A recent edition of the ABC program Four Corners highlighted the risks of cyberfraud and gave examples of personal details being offered for sale by people described as ‘data-harvesting brokers’ who have started to emerge in places such as India, where many call centres and back office processes are being located. The transcript of that program makes fascinating and very disturbing reading. Data containing the private details of many Australians was able to be bought for as little as $US5,000.

Consumers have undoubtedly benefited from advances in technology; however, these benefits also carry risks. Vast amounts of personal and financial details are processed and stored every day. Given the increase in identity theft and computer hacking, the importance of data security and the right to know where your details are held cannot be overstated.

My proposed amendment to the Trade Practices Act also seeks to prohibit agencies awarded Australian Commonwealth contracts from offshoring personal information. This will ensure that all work involving personal identification information undertaken by an agency on behalf of the federal government will be done in Australia by Australians. The Treasurer has recognised that this is an issue of concern. Last year he warned the banks that they needed to be wary and that they were not entitled to disclose any personal information without the permission of the customer. The Treasurer is in support of my bill here today. We have seen these jobs go overseas and we have seen people’s details go overseas. I believe we have the right to know where they are. (Time expired)

Bill read a first time.

The DEPUTY SPEAKER (Hon. IR Causley)—In accordance with standing order 41, the second reading will be made an order of the day for the next sitting.
Mr WILKIE (Swan) (1.25 pm)—I rise today to introduce the Independent Contractors Amendment Bill 2007 into parliament. The purpose of this bill is to create a fair and equitable transport regulatory system for truck owner-drivers by exempting WA operators from the Independent Contractors Act 2006. Under current legislation, Victoria and New South Wales are both exempt from the IC Act, but Western Australia’s application for exemption has been denied. The government’s decision to deny West Australia exemption from the IC Act has unfairly discriminated against owner-driver operators in WA and compromised the safety of our roads.

This amendment will repeal regulatory discrimination against Western Australian owner-drivers, as well as encouraging greater safety and improved business performance throughout the industry. The Western Australian state government has already passed legislation designed to improve the safety and profitability of the owner-driver transport sector, but until the federal government grants WA an exemption from the IC Act the Western Australian government cannot proclaim the bill.

The Australian economy relies on road transport. Because of the immense size and dispersed population of our nation, Australia is the most road transport dependent country in the OECD. In my home state of Western Australia, road transport is a critical service industry which underpins its booming economy. With the amount of road freight expected to double by 2020, the importance of having a viable and efficient road transport industry, staffed by experienced, skilled and well-trained drivers is growing rapidly. Yet the transport industry here in Australia is fast approaching a crisis. Few industries have suffered more from the critical skills shortages that have developed under the Howard government than the road transport industry. While experienced drivers and mechanics are flooding out of the industry, young people are not entering it at anywhere near replacement rates.

In order to address the lack of driver retention in the road transport industry, it is vitally important that we recognise exactly why drivers are leaving. When you take a look at some of the facts and figures from the industry, it is not really all that surprising why it is happening. When you look at what drivers earn, and especially what owner-drivers earn for the amount of work they put in, it is little wonder there is an exodus from the industry. A business in which one’s health and safety are routinely compromised due to pressures to drive for an unsafe number of hours, and in which rates of pay are being continually driven down by this government’s unfair industrial relations policy, is hardly an attractive career path.

Owner-drivers in particular are faced with rates of pay per trip or kilometre so bad that many have been forced to adopt highly unsafe driving practices such as speeding, reducing the maintenance work on their vehicles, carrying unsafe loads and using stimulant drugs to stay awake. As a Treasury report from the Western Australian state government found, the average profitability of the owner-driver industry is low. Many experience very tight profitability margins, or simply no profit at all. Recommended rates for the industry have remained static in nominal terms over the past decade, while in real terms they have declined by more than 20 per cent. Until owner-drivers receive reasonable and safe rates of pay, the pressure on
drivers to cut corners to meet their bottom lines will remain.

The Western Australian bill is designed to rectify these problems. The Western Australian bill is designed to promote a safe and sustainable road freight industry in WA by enshrining safe rates of pay for owner-drivers and establishing an industry code of conduct. But, as I mentioned, until the federal government grants Western Australia an exemption from the IC Act, the bill, which has the support of both the Transport Workers Union and the WA Transport Forum, will not be enacted.

While the Minister for Employment and Workplace Relations has sought to justify the government’s decision to refuse Western Australia’s exemption on the grounds that it will conduct a national review of owner-driver laws, ‘with a view to achieving national consistency’, I do not think that anybody believes for a second that this means that the government is seriously going to sit down and consider what will be best for owner-drivers and the safety of our roads. No, Mr Deputy Speaker, a national review of the owner-driver industry will simply serve as a smokescreen for the government to repeal New South Wales and Victoria’s exemptions from the IC Act and make sure that Western Australian owner-drivers are never entitled to the safe and sustainable pay rates that they deserve.

It is truly a disgrace when a government puts its own ideological agenda ahead of the safety of our roads and the wellbeing of transport workers. And it is truly a disgrace when a government tries to hoodwink the public with its phoney claims of a genuine review. But that is precisely what this arrogant and self-serving government is really all about. It is not interested in the safety of our roads and it is certainly not interested in seeing owner-drivers being entitled to fair and equitable pay. In fact, this government is not really interested in much at all in WA unless it can be dug out of the ground and sold overseas.

The people of WA deserve a government that cares about the safety of our roads, a government that is not just about driving down the pay and conditions of our transport workers to the bare minimum, and a government that will end the skills shortages that now threaten the viability of road transport in this nation. It is critical that the exemption proposed by this bill be passed by the House. 

Bill read a first time.

The DEPUTY SPEAKER (Hon. IR Causley)—In accordance with standing order 41, the second reading will be made an order of the day for the next sitting.

LATE PAYMENT OF GOVERNMENT DEBTS (INTEREST) BILL 2007

First Reading

Bill and explanatory memorandum presented by Dr Emerson.

Dr EMERSON (Rankin) (1.30 pm)—We have just heard the member for Swan supporting the case for independent contractors, in the particular case of owner-drivers in Western Australia getting a fair go and being able to enjoy the benefits offered by Western Australian legislation. This private member’s bill relating to late payments by Commonwealth authorities to small business adds to Labor’s commitment to small business and independent contractors. Essentially the Late Payment of Government Debts (Interest) Bill 2007 is designed to ensure that there are powerful disincentives for government departments and agencies to delay the payment of invoices to small businesses and contractors. The way it works is that, where there is an agreed contract period below a 30-day period, it will be honoured. Other than that,
the situation would be that after 30 days the Commonwealth would start paying interest on late payments owed to small businesses. This bill differs slightly from a previous bill in that the definition of 'statutory interest' would be the general interest charge provided by section 8AAD of the Tax Administration Act 1953. This gives a specific interest rate, which is already determined through legislation.

The other aspect of this legislation is that the definition of 'small business' has been changed to one with a turnover of less than $2 million. The reason we have chosen to do that is that the government has passed legislation through the House which rationalises the various definitions of small business, wherever possible, to one that has a turnover of $2 million or less. So there is some streamlining in this bill. We also decided to limit this particular private member’s bill to late payments by Commonwealth departments and agencies rather than late payments by larger businesses to smaller businesses—which was provided for in a previous bill. One of the reasons for that is that I will be bringing forward in the course of the coming months some proposals for low-cost dispute resolution procedures for small business. We believe that those procedures, which would be fast, informal and low cost, would allow small businesses to pursue any grievances they might have in relation to late payments by larger businesses. Indeed, it would be much wider than that—allowing small businesses to attain access to low-cost dispute resolution procedures with an emphasis on mediation wherever that is possible.

Labor argue that we need to do more in this nation to support small business and independent contractors. It has been the practice of the coalition government to claim small business and contractors as constituents of theirs, as if they own them; they do not. These are people who have decided to strike out, have a go for themselves, take the risks and earn a living. Those risks can be very considerable. In addition, small businesses often find themselves on the wrong side of the work and family balance, because we know that not only the owner but also the owner’s spouse very often put their hearts and souls into a small business, into a contracting arrangement, and they deserve the support of the Commonwealth.

If the government supports the private member’s bill, it will constitute tangible support for small business and independent contractors. I note that an Audit Office report released just the other day indicates that more than 600,000 small businesses owe more than $4 billion in GST debt. So any suggestion that small business is getting it easy these days is untrue. Many small businesses struggle. Labor recognise the struggle of small businesses and contractors, and that is why we have brought forward this private member’s bill. We do hope it enjoys the support of the government.

Bill read a first time.

The DEPUTY SPEAKER (Hon. IR Causley)—In accordance with standing order 41, the second reading will be made an order of the day for the next sitting.

PRIVATE MEMBERS’ BUSINESS

Free Trade

Mr JOHNSON (Ryan) (1.35 pm)—I 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.
I am pleased to speak in the parliament today on this important motion. I think it is particularly timely and relevant, given that the Minister for Trade recently launched the 2007 trade statement. The trade statement shows that Australia’s exports in 2006 were the highest on record—up 16 per cent to some $210 billion. This is more than double the 1996 export levels and a record in both value and volume terms. In fact, 19 of our top 25 exports reached record export values. In moving this motion in the House I want to draw to the attention of the people of Ryan how important international trade is to the prosperity of our society. I think that most Australians would probably not fully appreciate the profound importance of Australia’s trading relationships with all the key nations and economies of the world, and I want to play a small part in increasing that awareness.

Australia’s trade policies and trade success have an enormous capacity to alter the lives of every Australian and, in my case, to affect the economic success of Ryan businesses and the families of Ryan. One in five Australian jobs directly depends on our exports. Australia’s international trading architecture is absolutely critical to the overall economic success of our nation. In the Ryan electorate, the lives of 12,750 people are directly impacted on by the success of our trade with the world. So the lifestyle of thousands of Ryan families depends very much on the companies that they work for and the businesses they may own trading with the world and selling their expertise and their products and services to the world.

Trade has always been closely tied to Australia’s overall economic success. An interesting feature of our trading pattern is that many small and medium sized businesses are now trading with the world. Many medium sized businesses that might have started out as mum and dad businesses are now trading with the world and reaping the enormous benefits of doing so. The Australian Bureau of Statistics reflects that around 86 per cent of exporters in Australia are small and medium sized enterprises. The proportion of Australian exporting SMEs has doubled in the past two years alone. There are now approximately 3,815 Australian exporters selling to China, some 1,800 selling to India, 425 selling to Brazil and almost 300 selling their products or services to the Russian Federation.

It is critical for those of us in the parliament who believe very strongly in Australia’s export success and believe that trade has an impact on the lives of everyday Australians to get out there and promote opportunities for Australian businesses and Australian companies. I certainly value that opportunity as a member of the parliament. It is vital that we advance the cause of globalisation in the world and that we talk about the positive benefits of globalisation, while acknowledging that it can have some detrimental impacts. It is our job as governments of the day, whatever the political flavour, at the state and federal level to try to minimise the negatives that come out of globalisation. One of the difficulties we have is that there is not enough globalisation in the developing economies of the world. We must do all we can to promote access to the wealthy markets of Europe and the US for businesses and people in the poorer countries that want to trade with the world.

I will end my remarks—and allow my colleague the member for Bowman, from Queensland, to say a few words—by saying that the ideals of free trade and national sovereignty are not mutually exclusive, as some would say. Trade is vital to the prosperity of Australians. Trade is vital to the economic success of the people of Ryan. I will continue to call upon the Australian government to promote the successful conclusion of the
Doha development round. This is absolutely fundamental to raising the living standards in the economies of the developing world.

The DEPUTY SPEAKER (Hon. IR Causley)—Is the motion seconded?

Mr Laming—I second the motion and reserve my right to speak.

Mr BRENDAN O’CONNOR (Gorton) (1.40 pm)—I congratulate the member for Ryan on placing this motion on the Notice Paper. It is an important debate to be had. I think it is fair to say that it is unlikely that the Millennium Development Goals will be met by 2015. The types of solutions necessary to tackle poverty need to be reassessed. This is particularly the case with the so-called Geldof-Bono solutions to world poverty. Although the Geldof-Bono campaign for alleviating poverty has engendered much-needed public attention to the issue, encouraged tremendous acts of generosity from private citizens and impelled citizens of wealthy nations to apply pressure on their governments to implement more vigorous measures to address world poverty, the economic prescriptions advocated by them are not sufficiently effective.

Living standards in sub-Saharan Africa have failed to improve. Food insecurity is high, universal primary education is the exception and not the rule and health care is poor, especially for birthing mothers and young children. This parlous state is brought about not by a want of aid; rather, a large slice of the explanation lies in the poor economic performance of those countries. In the 1990s the region experienced a decline in GDP per capita of 0.6 per cent per year. It is patently obvious that, with the current economic performance of these countries, no amount of foreign aid can seriously address poverty. Improving the economies of these countries is the only sure way of raising their populations out of poverty.

There is no evidence to suggest that aid improves the economies of recipient nations, and there are several reasons for this. For example, aid can fail because of corruption, and I think people are well aware that that can be the case. Aid can also fail because it is the wrong type—for instance, of course we need emergency humanitarian aid but that will not necessarily spur economic growth. However, the Geldof-Bono argument holds that aid has failed because it has not been tried and that the reason for the failure of aid is that its magnitude has been grossly insufficient. I do not consider that argument to be entirely sustainable. As an example, Bangladesh has been a beneficiary of massive and sustained aid, yet its development has been negligible. Aid can also fail because it is fungible. That is a quaint economic term which effectively means that it is interchangeable with similar items. For example, imagine that a recipient government intends to build a school and the aid donor bears the cost of that. That frees government resources to buy, for instance, tanks and guns. So, in effect, the aid finances the purchase of the tanks and guns. More generally—and this remark applies particularly to program aid—aid might leak into tax cuts or a lower tax effort or into non-developmental programs and objectives.

The Millennium Development Goals are well intended but some are flawed. The supposition that the goal is not growth but poverty reduction is nonsense. The only way that you will get substantial numbers of people out of poverty is by growth. Many countries affected by poverty lack the domestic capital necessary to engender growth. They require foreign investment to build industries and the infrastructure necessary to exploit the natural resources of the country, and they require open markets in the developed world in which to sell their wares. As a logical corol-
lary of this interaction, jobs and growth are generated and people can rise out of poverty.

Global trade is the obvious—and, as far as I am concerned, the only—effective method for the reduction of poverty. In view of the fact that most poverty stricken nations are predominantly agricultural, agricultural trade liberalisation should be given a priority position on the alleviation of poverty agenda. This raises the obvious question of the stubborn European and American persistence with unfair agricultural protectionism. In my view, it is this bar to world trade—more than many other things—that has kept millions in poverty. World trade, especially fair trade, is central to the alleviation of world poverty. Any remedies to poverty that ignore the importance of world trade are not serious remedies at all.

Mr LAMING (Bowman) (1.44 pm)—In the short time remaining, let me say that it is important to note that we cannot have a strong trade balance without the fundamentally strong figures that were released last week showing that our GDP is up and that employment is growing strongly. These are all, as we have shown with control on wage growth, polices of the Howard government.

The SPEAKER—Order! It being 1.45 pm, the debate is interrupted in accordance with standing order 34. The debate may be resumed at a later hour and the member will have leave to continue speaking when the debate is resumed.

STATEMENTS BY MEMBERS
Vandalism Tourism

Mr MARTIN FERGUSON (Batman) (1.45 pm)—I rise this afternoon to talk about the appalling issue of vandalism tourism. As the shadow minister for tourism, I have become aware of some small groups recently travelling interstate with the explicit intention of vandalising property—in this instance, public property. One such incident occurred in early June 2007 on the Epping train line, which runs directly through my electorate. Two men were caught breaking into the train depot with bolt cutters and spraying the side of a train. The offenders travelled interstate with others from Queensland and New South Wales with the purpose of defacing the trains, which are public property. Some cameras and other photographic equipment were also confiscated from the men. I am aware that such acts are digitally recorded and posted on the internet for other people to view. As the shadow minister for tourism, I am dismayed by these activities. I do not in any way condone interstate travel for the purpose of deliberately destroying property. It is not vandalism tourism; it is just plain vandalism. These people should face the full brunt of the law. They are destroying public property and taking taxpayers’ money away from other activities, including improving education, health, access to child care, public transport and a range of other greater priorities. The House should stand firm in opposing this so-called vandalism tourism. (Time expired)

New South Wales Flood

Mr TICEHURST (Dobell) (1.46 pm)—Today, there is great sadness on the Central Coast. The funeral service was held this morning for Roslyn Bragg; Adam Holt; their children, Madison and Jasmine; and their nephew, Travis Bragg, who were cruelly washed away in the flood that hit the Central Coast last Friday week. The service was conducted by police chaplain Reverend Father Mark Watt. I would like to thank the New South Wales Police for the comfort and support that they gave the family over the past week. Last week, I visited the flood areas around Chittaway Point and other areas on the Central Coast with Minister Ellison. We saw at first hand how disaster services were being delivered on the coast. We visited a disaster centre that had been set up by the
Premier’s department in the Wyong Council chambers. Many people were there, including people from the Premier’s department, Centrelink, insurance companies and family support services for people affected by the floods. I would like to pass on my thanks to the volunteers of the SES, the New South Wales Fire Brigade, the rural fire services and the many others who assisted. People were getting trees off houses, clearing roads and getting people away from the flood areas. The community spirit on the Central Coast was fantastic. People were helping one another. It was great to see the support out in the streets. The disaster recovery centre is still open—it was open all weekend—and people can avail themselves of that service.

Mrs ELLIOT (Richmond) (1.48 pm)—I rise today to table a petition from over 800 people within my electorate. That petition relates to their concerns about water from northern New South Wales going to Queensland. They object to this happening and particularly to our water going over the border to the very overdeveloped Gold Coast. We have seen rapid development over the border on the Gold Coast and now they are looking at plans to take water from northern New South Wales. The more than 800 people who have signed this petition, and the many other people who have signed similar petitions in the past, object to that. They and I particularly object to the Howard government’s plan to build a dam just outside the small village of Talgum, which is just outside of a town called Murwillumbah. They have grave concerns, firstly about the general issue of the water going over the border and, secondly, about the building of this dam, which will destroy the village of Talgum.

Mr Laming—Who cares about borders? It is a water crisis.

Mrs ELLIOT—They certainly care in Talgum about what the impact on their village will be. They are also very concerned about the sustainability of our rivers and our water resources. It is disappointing that the Minister for the Environment and Water Resources has not taken up the invitation from me and many community members to come to Talgum and speak with the locals about their concerns about his dam plan. I am totally opposed to the Howard government’s plan to build this dam in the middle of the Richmond electorate, outside the village of Talgum. Today I table another petition from people who are very concerned about it.

Mr Pyne—It sounds like a charming village.

Mrs ELLIOT—Yes, it is a very charming village. The locals there are very concerned. This has caused great distress and anxiety among all the people there. (Time expired)

The petition read as follows—
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:
The petition of certain citizens of Australia draws to the attention of the House its objection to send water from the Northern Rivers of the State of New South Wales to Queensland. The petitioners therefore request the House to reject any plans to send water from the Northern Rivers of the State of New South Wales to Queensland.

from 875 citizens.

Bass Electorate: Proposed Pulp Mill

Mr MICHAEL FERGUSON (Bass) (1.50 pm)—This afternoon I rise to speak about the pulp mill which Gunns proposes to build at Bell Bay Industrial Estate in my electorate. At the weekend, some 10,000 people from around the state rallied in Launceston to voice their concerns. I attended to listen. While I do not personally agree with everything that was said, I feel that the community deserves to have its con-
cerns answered. People are being faced with so much information from the many sides in this debate that I have sympathy for anyone who does not know which voices to believe.

The government made a decision in May that the project would be a controlled action under the EPBC Act, meaning that it will require assessment and approval by the Australian government before it can proceed. I have been assured by the minister that, under the law, only if the development proposal is consistent with environmental guidelines can it go ahead. It must be made clear that the federal government has not changed legislation to get this project across the line and has continued to act within the letter and indeed the spirit of the law. Conversely, the Labor Party has handled this matter appallingly. Recent further demands by Labor that the federal government hurry up the assessment process are further proof of interference and are completely inappropriate. I never ignore people’s opinions, which is why I genuinely listened to the substantial expression of concern when I attended the City Park rally. The community supports a value-adding, job-creating pulp mill in principle, but the process and the people must be respected.

(Time expired)

10th Light Horse Regiment

Mr WILKIE (Swan) (1.51 pm)—Recently I had the pleasure of presenting the memorial troop A Squadron of the 10th Light Horse Regiment with six new federal and state flags at the regiment’s memorial troop function at Manning Park. The 10th Light Horse’s motto, ‘Strike and strike swiftly’, sums up the regiment. This is one of the most famous units in Australia’s proud military history. Their gallant actions at Gallipoli and Beersheba have written them into Australian folklore, and Western Australians everywhere need to know that the 10th Light Horse from WA fought and died to preserve the way of life that we so enjoy today.

The memorial troop is formed from volunteers of the Light Horse Association from Pinjarra and Kelmscott and is associated with the Kelmscott-Pinjarra RSL sub-branch. One such volunteer is Jack Matthews from Carlisle in my electorate. Their main aim is to honour and perpetuate the name and history of the 10th Light Horse Regiment by visiting schools and country shows as well as performing ceremonial functions on occasions such as Anzac Day and Remembrance Day.

We need the memorial troop to continue preserving the rich history of the Light Horse, but these volunteers cannot do it alone. It takes money and effort to preserve the uniforms and maintain the horses, weapons and ceremonial equipment for duties and light horse re-enactments—not to mention the insurance cover and corporate protection—so I urge the community to consider making a donation or offering their time on a voluntary basis so we can help honour the memory of our Western Australian Light Horsemen by maintaining their proud and cherished traditions. It is a very special way of remembering them, and if people contact my office we can put them in contact with people from the association.

Broadband

Dr SOUTHCOTT (Boothby) (1.53 pm)—I rise today to welcome the government’s announcement of the new national high-speed network on broadband. This will have the effect of eliminating almost all black spots in outer metropolitan Adelaide and will be offering speeds of six megabits per second when implemented and up to 12 megabits per second by mid-2009. One of the features in my electorate of Boothby is that because of the geography and also because of the age of the infrastructure we have
discrete broadband black spots. There are some in suburbs such as Flagstaff Hill, Marino and Warradale. This proposal builds on what we have already delivered, but, significantly, it offers faster speeds than Labor’s proposal, it will be available quicker and it has been done without raiding the Future Fund and without taxpayers paying for a service the private sector is prepared to pay for. It is an example of the benefits of good economic management in delivering services which the community requires.

Economic Management

Mr BRENDAN O’CONNOR (Gorton) (1.54 pm)—I have just heard the member for Boothby talk about broadbanding. You should be calling it the broad bandwagon because the government is now just on the bandwagon—(Time expired)

Economic Management

Mr LAMING (Bowman) (1.55 pm)—Impressive economic figures from last week show that our growth is up, employment is up, labour market strength is up and the labour price index is at a very disciplined 4.1 per cent. Glenn Stevens from the RBA said that labour market supply flexibility is the most responsible factor for making such favourable outcomes possible. We know that Labor blames China for our economic boom at the moment. The reality is, of course, that it is the supply side—labour market flexibility—that is making all the difference, and we have seen employment growth over the last two years. I challenge Labor to drop their foolish union fed and funded objection to labour market flexibility and to allow us to move away from their alternative, which is a 19th century industrial relations platform. They need to leave it behind, quit the lies and drop their resistance to that key part of the Australian economy that is moving us forward. We can ill afford the obstruction by Labor and the refusal to have an up-to-date, internationally competitive labour market.

Millennium Development Goals

Ms KATE ELLIS (Adelaide) (1.56 pm)—I rise today to draw the attention of the House to the visit this week from representatives of Micah Challenge who are coming into the parliament to meet with MPs and discuss how we can strengthen our commitment and use of resources towards the achievement of the Millennium Development Goals. To achieve this before 2015 this parliament needs to provide a greater commitment and new resources to the task and to
deliver on its promise to the world’s poor in the Millennium Declaration. Seven years ago we declared:

We will spare no effort to free our fellow men, women and children from the abject and dehumanising conditions of extreme poverty, to which more than a billion of them are currently subjected.

I commend those representatives for taking the time to visit the MPs, I wish them all the best and I remind this parliament that we must remain vigilant in our commitment to achieving these goals.

E6

Mr JENKINS (Scullin) (1.57 pm)—I am pleased to see the minister for roads in the chamber, because I have a deep concern about a recent announcement that he has made about the funding of a road in the seat of McEwen. This road is the E6. The E6 goes from the ring-road to Bridge Inn Road. The part that has been funded is from Bridge Inn Road to Harvest Home Road, and that is in the middle of a paddock. It is a road to nowhere, and I cannot believe that the part that has been funded is going to be the absolutely last part of this road to ever be built, probably in 10 to 20 years. This government, under the leadership of the member for Bennelong, has been renowned for the way in which it makes its funding available from the bottom of a pork barrel, and this is a classic. Now I see the member for McEwen, who offered me advice about how to get money. I say to the member for McEwen: if she wants to share the glory of spending the money on roads in the electorate of Scullin, I am quite happy, but please do not have the fiction of building a road which is in the middle of nowhere and is not ready to roll just so that they can say that the member for McEwen got $1 million worth of road funding.

Southern Brisbane Bypass

Mr HARDGRAVE (Moreton) (1.59 pm)—Speaking about roads being built, the best road in my electorate is the southern Brisbane bypass, which is the Logan Motorway and Gateway Arterial Road. It is a toll-road. It is the only tollroad in the entire state of Queensland, and last week the poor economic management of the Queensland government delivered a 10c per tollbooth rise in the overall toll costs for motorists in my area. That is millions of dollars worth of regional tax on residents through Sunnybank Hills, Sunnybank, Runcorn and Eight Mile Plains. Local roads are choking as trucks go round it. If it had not been for the Howard government putting $1.7 million to pay the toll on trucks at night, there would have been 221,000 extra trucks on the roads between 10 pm and 5 am over the last couple of years.

The SPEAKER—Order! It being 2 pm, in accordance with standing order 43 the time for members’ statements has concluded.

QUESTIONS WITHOUT NOTICE

Broadband

Mr RUD (2.00 pm)—My question is to the Prime Minister. Can the Prime Minister confirm a recent OECD report that the technology being deployed in his rural broadband rollout will only deliver maximum speeds in favourable weather, flat landscapes and low-use levels, and that speed predictions ‘may be overly optimistic and tend to rely on theoretical maximums rather than what users may be able to typically expect’? Prime Minister, why are you proposing a second-rate broadband solution for people in rural and regional Australia?

The SPEAKER—I would remind the Leader of the Opposition that he should not use the word ‘you’.

Mr HOWARD—In answer to the question from the Leader of the Opposition I
can assure him that the technology proposed and announced today is nothing as described by the Leader of the Opposition. The OECD report to which the Leader of the Opposition has referred concludes that WiMAX is a particularly suitable platform for regional broadband access. The report says:

WiMAX equipment could play a key role in providing long-range fixed-wireless connectivity in rural and remote areas as well as mobile connectivity over shorter distances.

The OECD report, contrary to the impression given by the Leader of the Opposition, is extremely favourable to WiMAX and it is about time that the Leader of the Opposition stopped being so selective and unrepresentative in the way in which he quotes from official documents.

Broadband

Mr BARTLETT (2.02 pm)—My question is also addressed to the Prime Minister. Would the Prime Minister update the House on the government’s investment in high-speed broadband? What percentage of the population will have access to high-speed broadband? Are there any alternative views?

Mr HOWARD—I thank the member for Macquarie. As it happens, I will be able to inform him in the course of this answer of some of the benefits that will accrue to his electorate from the announcement I made together with the Deputy Prime Minister and the Minister for Communications, Information Technology and the Arts in Goulburn earlier today. As a result of the government’s policies, in two years time 99 per cent of the Australian population will have access to very fast broadband, and we will not need to raid the future savings of Australian soldiers and police in order to achieve that outcome.

We are going to invest $958 million to ensure that 99 per cent of the population will have that access to very fast broadband by June 2009. A state-of-the-art broadband network will be rolled out across the country, delivering speeds of 12 megabits per second to 99 per cent of the Australian population at metropolitan comparable prices. Indeed, 75 per cent of the population will have speeds of 20 megabits per second. The government has awarded the $958 million Broadband Connect competitive grant to OPEL, which is a joint venture between Optus and Elders. The joint venture itself will contribute $917 million to this rollout, making this a total $1.875 billion investment in very fast, affordable broadband. It will be made up, essentially, of two components: firstly, the enabling of 426 ADSL2+ exchanges in outer metropolitan and regional areas, giving access to very fast and affordable broadband for an additional three million premises—

Ms King interjecting—

Mr HOWARD—Let me repeat that for the benefit of the member for Ballarat: very fast and affordable broadband for an additional three million premises this year. Secondly, there will be a deployment of 1,360 WiMAX wireless base stations across the country, bringing very fast and affordable broadband to 99 per cent of the population by June 2009. Contrary to the sneering remarks of the Leader of the Opposition, WiMAX wireless is a 4G technology designed specifically for broadband, delivering speeds of 12 megabits per second. WiMAX is a scaleable technology, meaning that its speeds will increase into the future as the base stations are upgraded. Also for the benefit of the Leader of the Opposition, I point out that ADSL2+ can deliver speeds of up to 20 megabits per second over copper wire, and the intention is for the additional 426 very fast ADSL2+ broadband exchanges to be switched on this year, with the process beginning immediately.

All of this will be achieved without touching the $2 billion regional communications
fund, which the opposition is going to steal in order to fund a fibre optic network that ought be provided by commercial operators who are going to earn a great deal of money out of the provision of that network. In relation to that network, we are establishing a competitive bid process. The group that will make the decision and confer with industry and the government will include representatives from my department, the Secretary to the Treasury, the Secretary to the Department of Communications, Information Technology and the Arts, the ACCC and private businesses representatives. There will be no cost to the taxpayer. We will provide this, or the market will provide it, at no cost to the taxpayer. The Leader of the Opposition will take $2 billion away from the bush and $2.7 billion out of the superannuation provisions for Australia's soldiers and Federal Police in order to pay for something that ought to be paid for by the private sector. The man who knows nothing about productivity also knows nothing about competition in communications. Why on earth would anybody provide $4.7 billion to subsidise the creation of something that ought to be produced by the private sector, because the private sector will make a great deal of money out of the provision of that service?

Broadband

Mr RUDD (2.07 pm)—My question again is to the Prime Minister. Can the Prime Minister inform the parliament why, after 11 years in office, his government is only acting now on broadband—three months out from a federal election? Prime Minister, isn’t this just a poll-driven attempt to protect Liberal Party and National Party marginal seats?

Mr HOWARD—The answer is that the government is not just acting now. I would point out to the Leader of the Opposition—

Opposition members interjecting—

The SPEAKER—The Prime Minister will resume his seat. The Prime Minister has been asked a question. The Prime Minister will be heard.

Mr HOWARD—It is untrue, as the Leader of the Opposition alleges, to suggest that the government is only now doing something about this issue. I remind the Leader of the Opposition that as a result of government programs over the last three years some 1.3 million additional premises have obtained access to broadband. That is, 1.3 million premises have obtained access to broadband as a result of government programs over the last three years. Although this is an unsatisfactory figure, approximately 50 per cent of Australians can currently access broadband at 12 megabits per second. I would also point out to the Leader of the Opposition that the Competitive Grants Program, the result of which was announced by me and my colleagues this morning, was foreshadowed some time ago and work on that commenced after the completion of the sale of Telstra.

The Leader of the Opposition invites me to say something about the availability of services in certain parts of Australia. I am very happy to say that in the electorate of Macquarie, so ably represented by the Chief Government Whip, seven exchanges will be upgraded to very fast ADSL2+ broadband and 15 new wireless broadband sites will be built in the region. The very fast updates will occur in Bathurst, Blackheath, Hazelbrook, Katoomba—two sites—lawson and Wentworth Falls. As to the wireless broadband sites—that is, 12 megabits per second—

Mr ANDREN—Mr Speaker, I rise on a point of order. The city of Bathurst is not in the seat of Macquarie; it is in Calare.

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

Mr HOWARD—Mr Speaker—
Mr Snowdon interjecting—

The SPEAKER—The member for Lingiari is warned.

Mr HOWARD—The interjecting member merely underlines how even-handed the government is. As to wireless broadband—WiMAX—

Mr Swan interjecting—

The SPEAKER—The member for Lilley is warned.

Mr HOWARD—there will be two sites at Bathurst, one at Blayney, one at Essington, one at Hampton, one at Lawson, one at Lithgow, one at Mount Marsden, one at Mount Ryan, one at Mount Victoria, one at Oberon, one at Palmers Oakley, one at Portland and one at Newnes. This is just a small illustration of the spread of this facility. I can assure the House that when the details of the switch-on of the ADSL2+ are revealed, the House will see that the government is totally even-handed and that this is not in any way restricted disproportionately to government-held seats.

Broadband

Mrs HULL (2.12 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 how the government’s investment in broadband will benefit working families and businesses in rural and regional Australia and, more particularly, in my electorate of Riverina? Are there any alternative policies that might threaten this long-term commitment?

Mr VAILE—I thank the member for Riverina for her question. I recognise her ongoing commitment to making sure that there is significant investment in modern communications technology throughout regional Australia, particularly in the electorate of Riverina. The announcement that I had the pleasure of taking part in with the Prime Minister and the Minister for Communications, Information Technology and the Arts this morning will certainly do that. We have been through a competitive process both in terms of value and technology so that we are able to ensure that the best available technology is rolled out across regional Australia and that the maximum number of people in regional Australia have access to broadband services. The announcement this morning of $1.8 billion invested in regional Australia is enormously significant, given that roughly 50 per cent of that investment is being contributed by the Commonwealth government and the other is being matched by private sector providers to build the network across regional Australia. That means 99 per cent of people in Australia will have the ability to access broadband internet connections. It is something that all Australians obviously want. The other one per cent will also be covered through our existing Australian Broadband Guarantee program. So right across the Australian community there is an opportunity to achieve 100 per cent broadband coverage.

The OPEL network will include a mix of cutting-edge technology—WiMAX wireless, broadband and fibre-optic cable—to deliver a minimum of 12 megabits per second by June 2009. This proposal is wireless, it is fibre optic, as well as being a massive rollout of ADSL2 technology. Under this proposal, 426 exchanges that have the capability of being wound up in terms of capacity by putting ADSL2 DSLAMs in them are going to get them. They have not had them done under the current provider. They will automatically get cranked up. This technology is just the beginning. The network is specifically designed in its scalability, with speeds of up to 70 megabits a second available as technology evolves. This point has been seized upon by the NFF in welcoming and com-
mending this announcement by the government. I quote from the NFF’s release:

The choice of WiMAX wire technology supplementing the additional ADSL 2+ technology to deliver services from the exchange to the farm is vitally important, but also provides the opportunity for scaleable high speed broadband into the future.

These people represent a lot of the businesses in regional and rural and remote Australia, and they support this announcement by the government. They support the decision we have taken to ensure that an open access regime is available right across regional Australia in terms of the competitive pressures that we want to bring to the marketplace. This will certainly do it. Importantly, it secures still the $2 billion perpetual Communications Fund that underpins the ability to fund new technology into regional Australia as and when it comes online in the future. Next year we expect $400 million to be available out of that fund to spend on new technology in rural and regional Australia. Just remember—this is the $2 billion fund that the Australian Labor Party wants to steal and spend on its proposal. Labor proposes to spend $4.7 billion on broadband, which it claims will reach 98 per cent of the population. However, most commentators say it will reach only 75 per cent of the population. Labor proposes to spend $4.7 billion on broadband—$2 billion of that stolen from the bush and the other $2 billion stolen from future ex-service men and women and their pension fund, their superannuation fund for the future. Under Labor’s proposal broadband would reach only 75 per cent of the people across Australia. But the worst point—and I know the member for Riverina will be very interested in this—is that it is proposing to reach only 75 per cent of Australians by 2013. Labor’s completion date is 2013. We have announced today a completion date of mid-2009, reaching 99 per cent of the population.

Mr Crean interjecting—

The SPEAKER—The member for Hotham!

Mr VAIL—That is the difference between the government’s proposal and the Australian Labor Party’s proposal. Under Labor’s ‘fraudband’ proposal, where they are going to steal $2 billion from the bush, they are not going to achieve 98 per cent coverage—

Mr Garrett interjecting—

The SPEAKER—The member for Kingsford Smith is warned!

Mr VAIL—They are only going to achieve 75 per cent coverage. Their fraudband proposal is only going to be completed in 2013. We are going to have ours done in 2009.

Broadband

Mr RUDD (2.18 pm)—I refer to the Prime Minister’s answer to the previous question, when he said that the government’s consideration of its broadband policy had been even-handed and had not disproportionately considered marginal seats. Prime Minister, I refer to this leaked email of 31 May 2007, marked ‘in-confidence’ from the office of the communications minister, which indicates the need for electorate maps to be available for the cabinet meeting discussion of this broadband announcement and which also refers explicitly to ‘the top 40 electorates’ for the purposes of this announcement, all of which happen to be government-held. Prime Minister, how does this leaked email sit with your assurances to the parliament barely five minutes ago that the government’s handling of this matter has been even-handed?

Mr HOWARD—The announcement that I made today—

CHAMBER
Ms Vamvakinou interjecting—

The SPEAKER—Order! The Prime Minister will resume his seat. The member for Calwell is warned! When the Prime Minister is asked a question, he will be heard.

Mr HOWARD—The announcement that I made today, as the Leader of the Opposition knows, was very much about providing services in rural and regional Australia, and it is a matter of electoral reality—

Ms Gillard interjecting—

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

Mr HOWARD—that the great majority of seats in rural and regional Australia are held by the coalition. That is just a matter of electoral arithmetic. If it were a policy that we were applying overwhelmingly to the inner metropolitan area, then the great majority of the beneficiaries would be Labor seats. I cannot help it that at present the great majority of seats in rural and regional Australia are held by—

Mr Tanner interjecting—

The SPEAKER—The member for Melbourne is warned!

Mr HOWARD—Liberal and National Party members. It may have something to do with the fact that they provide a better service to their constituents.

Future Fund

Mr CAMERON THOMPSON (2.20 pm)—My question is to the Treasurer. Would the Treasurer update the House on the current status of the Future Fund? Is there a risk that the Future Fund may be raided for political purposes?

Mr COSTELLO—I thank the honourable member for Blair for his question. Unlike most Australian employers, the Australian government has never funded the superannuation entitlements of the public sector. Since Federation, the Commonwealth has employed public servants and just figured that it could pay their superannuation entitlements out of recurrent revenue of future generations. That unfunded superannuation liability currently stands at around $100 billion. Although the Commonwealth has closed most of its defined benefit schemes, such as the CSS and the PSS, its military schemes are still open, and that superannuation liability, currently at around $100 billion, is expected to grow to $148 billion by 2020.

That was the situation of every previous Australian government, of whatever political complexion, until this government decided to fund the superannuation liability of the Australian public sector. This government decided to put aside and provision, for future generations, the funds to cover that liability and, by doing so, to free future generations of inherited liabilities from the past. That was the establishment of the Future Fund, not only so that our defence personnel could be guaranteed that their superannuation would be paid, but so that future generations would have that liability lifted from their backs. The government now has, as against the current liability of $103 billion, about $51 billion in assets in the Future Fund. As the IMF said:

Australia’s Future Fund ... looks like a good model for other countries: certainly there are few, if any, industrial countries as well prepared for the ... costs of an aging population as Australia.

The OECD said this in 2006:

The Future Fund is explicitly quarantined from other possible medium-term objectives. This is laudable ...

If the Labor Party gets elected at the next election, the Future Fund is over because the Labor Party has promised to open up the Future Fund and take out $2.7 billion for a failed telecommunications policy. Why would you do that? You have Telstra lining
up to build fibre to the node. You have Optus lining up to build fibre to the node. We now know that there are investment banks that want to come in and build fibre to the node. The private sector is prepared to carry the full costs and yet the Australian Labor Party, for ideological reasons, wants to open up the Future Fund, raid it for $2.7 billion, and get into the business of building fibre to the node. The reason the Labor Party wants to open up the Future Fund and raid it is the Labor Party wants to treat the Future Fund as a political vehicle for its own electoral prospects. Once you open the Future Fund for one purpose, you open it for all purposes.

We have had the member for Melbourne saying he is going to open up the Future Fund and put it into infrastructure, but only hard infrastructure. We have had the member for Perth saying he is going to open the Future Fund and put it into education. We will have member after member after member, once you have established the principle, determining to open the Future Fund and to dissipate the savings of future generations. This is an important fork in the road for Australia. There was no other government in Australian history that had the wit to establish a Future Fund. If the Australian Labor Party gets elected, it will destroy it. It will go down in history as the government that destroyed Australia’s future opportunities. It is an important financial point; it is important for our children. This is the government that freed our children from debt. We will free them from liability, and the biggest threat to their future comes from this Leader of the Opposition and the Australian Labor Party.

Broadband

Mr Rudd (2.25 pm)—My question is again to the Prime Minister. I refer again to this leaked email marked ‘in-confidence’ from the office of the communications minister, which directs public servants to urgently prepare media information kits for today’s broadband announcement for 40 priority government-held marginal seats. Prime Minister, isn’t it a fact that this email demonstrates that your broadband policy has been prepared primarily as a pre-election bandaid to protect coalition marginal seats?

Mr Howard—The answer to that is no. The benefits of this announcement, as will be demonstrated in the weeks and months ahead, will be spread evenly throughout the entire country. The evidence of that is to be found in the fact that, as a result of this announcement, 99 per cent of all of the Australian community—and I do not think either side of politics is ever going to represent 99 per cent of the Australian electorate—will enjoy a very fast broadband in two years time. We will not be doing this at the expense of the future superannuation of our soldiers and our Federal Police. I have just been handed a map of an electorate. I think the name of this electorate is Griffith. I have also been handed a map of the electorate of Ballarat.

Ms Gillard interjecting—

The Speaker—The Deputy Leader of the Opposition is warned!

Mr Howard—the map shows that one, two, three, four, five areas in the electorate of Ballarat are going to get the benefit, starting this year—starting almost immediately. Here it is—

Ms King interjecting—

The Speaker—The member for Ballarat is warned!

Mr Howard—that red on the map is good. Normally I think green is pretty good, but red means it is an ADSL2+ turn-on. That means the member for Ballarat is going to do very well out of this. The Leader of the Opposition has already done very well out of this, but we have not ignored him. We have a
map for him. We have a map for everybody because this is a government for all of us.

The SPEAKER—The next call goes to the government side. The Manager of Opposition Business?

Mr Albanese—Mr Speaker, I ask that the Prime Minister table the maps from which he was reading.

Mr HOWARD—I am happy to do so.

Building and Construction Industry

Mr HENRY (2.28 pm)—My question is addressed to the Minister for Employment and Workplace Relations.

Opposition members interjecting—

The SPEAKER—Order!

Mr Albanese interjecting—

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

Mr Albanese—Mr Speaker, what for?

The SPEAKER—The member for Grayndler will resume his seat. The answer is simple: for interjecting when someone else was on his feet.

Mr HENRY—My question is addressed to the Minister for Employment and Workplace Relations. Is the minister aware of any reports that examine how reforms to Australia’s building and construction industry are improving productivity? Is the minister aware of any threats to productivity in the building and construction industry?

Mr HOCKEY—I thank the member for Hasluck for his question and note that in the electorate of Hasluck in 1996 the unemployment rate was 7.4 per cent. Today it is 3.5 per cent, so it has more than halved, and that is good news for the people of Hasluck. I am aware of a report on the front page of the Australian today. It begins with:

CONSTRUCTION giant John Holland has warned that a multibillion-dollar productivity dividend will be threatened if Labor wins office and winds back the Coalition’s industrial relations reforms.

There is that magic word ‘productivity’, the word that the Leader of the Opposition does not understand—

Mr Adams interjecting—

The SPEAKER—Order! The minister has the call.

Mr Adams interjecting—

The SPEAKER—The member for Lyons is warned!

Mr HOCKEY—and the word that the Deputy Leader of the Opposition does not understand either, although you would fail to believe anything the Deputy Leader of the Opposition says because she does not tend to tell the truth on many occasions at all. The report goes on to say:

With some building firms reportedly factoring in “risk-of-Rudd” premiums into future contracts, John Holland also wants Labor to drop plans to scrap the building industry watchdog.

It goes on to say that as evidence of what the Labor Party’s initiatives will do, the John Holland document:

... warns that the reintroduction of previous industrial practices such as payment of non-working union delegates on building sites would be hugely expensive.

Imagine employing someone not to work for the firm but to work for the unions. That is what John Holland is warning against. It says the estimate of the cost of this alone would be $20 million a year—for John Holland to employ union officials on their books who do not have any productivity, even by the definition provided by the Leader of the Opposition. It goes on to say:

In a strong endorsement of the Government’s 14-month-old workplace blueprint, John Holland says these have already delivered achievements of great significance to the industry, our employees and our clients ...
“There is every reason to expect at least another 10... to 20 per cent improvement in productivity over the next five years,” ... “The current regulatory framework is therefore an essential plank in the nation’s economic framework.” ... That is exactly right. It is not Joe Hockey, the member for North Sydney, the member for Bennelong, the member for Higgins or anyone else saying this. It is one of Australia’s largest builders saying explicitly that a return to the bad old days of Labor Party industrial relations policy is not only bad for the construction industry but bad for the Australian economy.

I can tell you that there is one area where productivity is high. I understand that Kevin Reynolds and Joe McDonald, the leaders of the CFMEU in Western Australia, are door-knocking the Pilbara to try and get new members. In an area of Australia that has traditionally a very low union membership, there are Joe McDonald and Kevin Reynolds going around with their backpacks. Lord knows what is in their backpacks. I will not speculate again. With their backpacks—and I am sure there would not be a water bottle inside—there they are travelling around the Pilbara trying to recruit new members for the CFMEU at a time when the building industry and the mining industry are creating and generating enormous wealth for the Australian economy. If you really want to know what the ‘risk-of-Rudd premium’ is, as the building industry calls it, it is about the fact that the Labor Party wants to wind back the clock on industrial relations. That is bad for the workers, and it is bad for the Australian economy.

Broadband

Mr Rudd (2.33 pm)—My question again is to the Prime Minister, and I refer to this leaked email from the office of the Minister for Communications, Information Technology and the Arts which leaks the government’s 40 priority electorates. Prime Minister, doesn’t this email prove your broadband announcement is a pre-election political band-aid for the government’s most marginal seats? It explicitly lists Kingston, Stirling, Bonner, Macquarie, Bass, Deakin, Solomon, Wakefield, Makin, Hasluck, Moreton, Blair—

The Speaker—Order! The Leader of the Opposition has made his point. The Leader of the Opposition will come to his question.

Mr Rudd—Lindsay, Eden-Monaro, Page, Dobell, Braddon, McMillan—

The Speaker—The Leader of the Opposition will resume his seat.

Mr Rudd—Which of them is a Labor seat, Prime Minister?

The Speaker—The Leader of the Opposition is well aware that he does not need to use that much preamble in his question. The leader will come to the final part of his question or I will call the next question.

Mr Rudd—Prime Minister, doesn’t this list of government marginals demonstrate that this exercise is primarily about short-term pre-election politics and not about the long-term policy needs of this nation when it comes to high-speed broadband?

The Speaker—Order! The Leader of the Opposition will resume his seat.

Mr Howard—The answer is no. The reason the answer is no is that—and if the Leader of the Opposition had not been so tricky he would not have omitted it—another part of the email says, ‘Following the completion of these top 40 electorates, the remainder will need to be completed.’

Budget 2007-08

Mr Michael Ferguson (2.36 pm)—My question today is addressed to the Treasurer. In thanking him for an excellent
budget, I ask: would the Treasurer inform the
House about the impact of the government’s
tax and family assistance policies on middle-
income earners? Is the Treasurer aware of
any alternative policies?

Mr COSTELLO—I thank the honour-
able member for Bass for his question. I
thank him for the endorsement of the budget,
and for his vote in passing the budget; I ap-
preciate that very much.

From 1 July, every Australian taxpayer
will receive an income tax cut, and that is
because of this year’s budget, which lifts the
low income tax offset and which increases
the threshold for the 15 per cent rate, taking
it up to $30,000. As we continue the coun-
down to ‘fundamental injustice day’, which
is the day before 1 July, we can remember on
‘fundamental injustice day’ itself that every
Australian will be receiving another income
tax cut on 1 July.

I am asked whether I am aware of any al-
ternative tax policies. The answer is this: it
depends what day of the week it is, because
on some days of the week there are alterna-
tive tax policies and there are not on other
days of the week. For example, back in Feb-
uary 2006, the member for Lilley said this:

Labor recognises the need for root and branch
tax reform ...

It was going to be ‘root and branch’ back in
February 2006. At the National Press Club
on 16 May, the member for Lilley said this:

I’m not anticipating taking forward any sig-
ificant change to the personal-income tax system
at this stage.

The SPEAKER—Order! Would the
member for Melbourne Ports remove himself
from the chamber and finish his lunch out-
side.

The member for Melbourne Ports then left
the chamber.

Mr COSTELLO—So ‘root and branch’
tax reform disappeared on 16 May. I read in
the Adelaide Advertiser on Thursday, 7 June
that tax policy was back on: ‘Swan hints at
tax cuts if Labor elected’. That was what
appeared in the Adelaide Advertiser. Then,
on Saturday, in the Australian Financial Re-
view, as reported by Laura Tingle—get a
load of this!—Mr Swan said:

... we will certainly have a tax policy. I just
wasn’t going to raise expectations ...

Well, producing a policy—wouldn’t that
raise expectations! It would really raise ex-
pectations if Labor came out with a policy on
tax. ‘I wasn’t going to raise expectations’!

When I made the point that there was no
tax policy, I was wrong about that, too. This
was picked up in a document published by
the member for Lilley. He said that one of
the myths that I was propagating was that
Labor does not have a tax policy. That was a
‘myth’ that I was propagating; it was a
‘myth’ that Labor did not have a tax policy.
He said this was a myth because in May
2005 Labor outlined its alternative tax plan.
So on one day you are going to have root and
branch; on the next you are not even going to
have a leaf; on the next you are going to cut
tax; and on the next you don’t want to raise
expectations but there might be a policy. But
it is a myth to say there is no policy because
Labor has its 2005 tax plan.

I invite members of the public and mem-
bers of the press to have a look at this 2005
tax plan because a document was released
last week saying it was a myth to say that
Labor did not have a tax plan because it has
got one—the 2005 tax plan. Let me say this:
the 2005 tax plan would increase the mar-
ginal tax rate for the lowest earners in our
community by increasing the 15 per cent rate
to 17 per cent, and it would increase the
marginal tax rate for middle-income earners
in our community from 40c to 42c and 45c to 47c.

Let me say it again: Labor’s 2005 tax plan would have three higher marginal tax rates and every threshold would be lower. For example, under the coalition, the top marginal tax rate of 45c cuts in over $150,000; under Labor’s 2005 tax policy, the top rate would be 47c and it would cut in over $100,000. Under the coalition, the rate of 40 per cent applies between $75,000 and $150,000; Labor would have a higher rate of 42 per cent applying between $67,000 and $100,000.

Mr Speaker, I do not make this up; this was published by the member for Lilley last week. He said that it was a myth to say Labor did not have a tax policy: ‘In May 2005 Labor outlined its alternative tax plan. The Labor alternative tax plan is for higher taxes. There is no point in the member for Lilley saying in the Adelaide Advertiser that he would like lower taxes. The member for Lilley is one of those white-bread politicians who will tell a journalist anything he thinks the journalist wants to hear. And it will vary from day to day, according to who the journalist is and which outlet it is.

In politics, you need a policy. In politics, you have to be able to put it out, you have to be able to cost it and you have to be able to defend it. The member for Lilley and the Labor Party are playing games with the Australian people. They will not come forward and have a policy properly costed; they will not put themselves under scrutiny because they are not fit to form a government and they are not fit to be trusted with economic policy.

Broadband

Mr Rudd (2.43 pm)—Prime Minister, on what basis was this list of 40 top electorates prepared? Prime Minister, what principle separates out the ‘A’ list, the top 40 electorates, from the ‘B’ list, the other 110 electorates?

Mr Howard—The overriding principle of the government’s policy is that 99 per cent of the Australian community will, in two years time, have access to very fast broadband, and that includes people represented by Labor members in this House as much as it includes people represented by Liberal and National members. I notice the Leader of the Opposition is focusing—

Mr McMullan interjecting—

The Speaker—The member for Fraser is warned!

Mr Howard—all of his questions on a leaked email and not on the difference in substance between his policy, that will raid the Future Fund and rob the superannuation of Australian soldiers and Australian Federal Police, and a plan from the government which will leave it to the private sector to provide what the private sector should provide and leave the government purse to provide those things that the private sector cannot provide. That should be the point of comparison. But let me put the troubled mind of the Leader of the Opposition at rest: this is a policy for all Australians, not for some Australians.

Mr Fitzgibbon—Mr Speaker, I rise on a point of order. In the interests of all men and women who serve in the ADF and, indeed, with the Australian Federal Police, I genuinely and seriously, in a bipartisan manner, ask the Prime Minister to consider withdrawing that fear statement he put out to every one of those serving men and women.

The Speaker—Order! There is no point of order.

Workplace Relations

Mr McArthur (2.46 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Would
the minister inform the House how the government is better informing Australian employees about their rights at work? Is the minister aware of any groups which oppose employees being informed about their protection?

Mr HOCKEY—I thank the member for Corangamite for his question. He is a fine member of this place. In 1996, when this government was elected, the unemployment level in his electorate was 8.6 per cent. Now it is 4.6 per cent, so that is great news.

This government is focused on ensuring that all employees covered by the federal system will receive a workplace fact sheet that provides them with a straightforward guide to where they stand in relation to workplace relations. The fact sheet—and we will be moving an amendment in the Senate to this effect—will contain basic information about workplace entitlements like wages, minimum standards, protected award conditions and the fairness test, as well as the roles of the Workplace Authority and the Workplace Ombudsman. The fact sheet will be drafted by the Workplace Authority and it will be gazetted. The fact sheet will not cost employers anything. They can download it from the internet, or the Workplace Ombudsman will supply them with copies.

You would think that most people in Australia would be happy to provide more information to Australian workers about their entitlements at work. You would think that this basic information that allows the workers of Australia to know where they stand under the workplace relations laws would be fully supported on both sides of the House. But yesterday, on the Insiders program, the Deputy Leader of the Opposition said:

I’m troubled Australian employers are basically being forced by the Government to hand out its propaganda.

I thought that was a bit tough. The Deputy Leader of the Opposition went on to say:

It’s a ridiculous burden to put on business, particularly small business.

I thought, ‘This is pretty strong outrage,’ and I asked myself: ‘Why would the Deputy Leader of the Opposition be saying that?’

The Deputy Leader of the Opposition is so opposed to providing information to employees that it is actually part of the Labor Party’s policy—unless they have forgotten their policy already; we have not. It is documented. Page 8 of the Labor Party’s own policy states:

8. Information in the workplace

Employers must provide all new employees with a Fair Work Information Statement which contains prescribed information about the employee’s rights and entitlements at work—

and, in the little bit that we do not do, the Labor Party policy goes on to state—

including the right of the employee to choose whether to be or not to be a member of a union and where to go for information and assistance.

So the Deputy Leader of the Opposition is so outraged about this government providing information through an independent authority to employees, but the Labor Party’s own policy says that they are going to do it—and, by the way, employers will have to give employees an opportunity to join the union. That is part of their own information statement. That smacks of hypocrisy from the Labor Party. But that is not new ground. They are hypocrites when it comes to productivity; they are hypocrites when it comes to the information statement.

We learnt today that when it comes to Dean Mighell they are hypocrites as well. We know that, with confected outrage, the Leader of the Opposition went before the people of Australia and said: ‘I am so outraged at Dean Mighell’s behaviour that I have asked that he be sacked from the Labor
Party and that all ETU money be sent back to the ETU. We will not accept a dollar from the ETU.’ Not only was there a full-page ad by the ETU in the Courier-Mail last week against the government’s industrial relations system but a fellow by the name of Stephen Newnham, the secretary of the Victorian Labor Party, told the Australian Financial Review that Mr Mighell was free to rejoin the ALP at any time, was keen to maintain an active role in the party—I bet—and could well do so after the federal poll.

So the Leader of the Opposition has gone before the Australian people and said, ‘I will not tolerate Dean Mighell’s behaviour; I have called for him to be sacked; he is gone from the Labor Party,’ and the state secretary is saying: ‘We will have him back. We want him back. We want his money.’ And you know what? He will turn up the day after election day. That is the hypocrisy that the Labor Party have made part of their basic manifesto. The way they behave must be seen for what it is: rich in hypocrisy. And when old Deano, Dean Mighell, comes out to open the batting for the Labor Party at the next election, we will all be waiting there with bated breath.

Broadband

Mr ANDREN (2.51 pm)—My question is to the Prime Minister. Can the Prime Minister explain where the parity of service is in the government’s wireless broadband proposal for regional Australia, when the 75 per cent of our population who live in the capital cities will enjoy optic fibre to the node internet speeds of 30 megabits per second, while the 25 per cent of Australians who live in rural areas will apparently only be able to access speeds of up to 12 megabits per second over wireless? Where will these country Australians, with their terrestrial network now privatised, be left standing as most developed countries adopt optic fibre to the home networks as the optimum technology for their future telecommunications needs?

Mr HOWARD—I thank the member for the question.

Mr Tanner interjecting—

The SPEAKER—Order! The member for Melbourne has been warned. He continues to interject. He will remove himself under standing order 94(a).

The member for Melbourne then left the chamber.

Mr HOWARD—The member for Calare asks me about parity of treatment. Let me point out to him that, under the plan announced by the government today, in two years time 99 per cent of the Australian population will have access to broadband of 12 megabits per second at metropolitan comparable prices. That is the essence, that is the nub, of the announcement that has been made today. I would have thought that that explanation alone would indicate that there is parity of treatment, because what is happening under this OPEL proposal is that, for the first time, many regional and country areas of Australia will have the same access to broadband speeds as is now available in metropolitan areas.

The member has asked me about fibre-optic provision. I know that others have spoken of providing a fibre-optic network to just about all parts of Australia. It is our view that there are formidable technological challenges and difficulties in relation to that. International experience has shown—and I invite those who question this to listen carefully—that fibre networks require tens of billions of dollars of investment, even in countries a fraction of the size of Australia. In South Korea, which is a country less than half the size of Victoria, the cost of a fibre network was in excess of $A50 billion and, in December 2005, fibre connections accounted for just 14 per cent of South Korea’s
total residential broadband subscriptions. In
Singapore, a country with a landmass of 660
square kilometres, half the size of Sydney,
the fibre roll-out cost was over $A5 billion.

The point I make out of all that to the
member for Calare is that I would take with a
large grain of salt what has been proposed by
the Labor Party in this area and I would see
the proposal put forward by the government
as a fair and successful attempt—within the
 technological and affordability criteria that
will govern any administration in this coun-
try—to provide parity of service to all Aus-
tralians.

Dental Health

Mr HARDGRAVE (2.56 pm)—My ques-
tion is to the Minister for Health and Ageing.
Would the minister update the House on the
government’s proposal to improve dental
care. Is the minister aware of any alternative
proposals, and what is the government’s re-
sponse?

Mr ABBOTT—I thank the member for
Moreton for his question and I say to him
that, although the government is sometimes
criticised for the failings of the state Labor
governments in this area, in fact the Howard
government initiated Medicare cover of
some dental treatment. This Medicare cover
was dramatically expanded in the recent
budget. From 1 November, people with
chronic disease with contributing poor oral
health will be eligible for an initial dental
consultation and up to $2,000 worth of
Medicare funded dental treatment a year.
This will cost some $378 million and cover
some 200,000 people over four years, many
of whom would otherwise be languishing on
the states’ public dental waiting lists.

But this dramatic new initiative was not
enough for the opposition, because two
weeks ago the shadow minister, the member
for Gellibrand, promised that every Austra-
lian earning less than average weekly earn-
ings would receive free dental cover. I have
here an article from the Sunday Age. The
headline is ‘Smile—it’s free dental care’, and
it is an exclusive from Jason Koutsoukis. It
says:

People earning average income or below would
have free dental care under a Labor plan to solve
the nation’s teeth crisis.

Nearly 16 million Australians live in house-
holds earning average weekly earnings or
below. To give 16 million people just one
hour of dental care at the cost of $295 an
hour nominated by the member for Gelli-
brand would cost taxpayers $4.7 billion
every year. If the member for Gellibrand is to
be taken seriously, Labor will spend almost
as much on dentistry as the government cur-
cently spends on the PBS. The member for
Gellibrand would wipe out half the surplus in
just one ill-considered, half-digested item
from her wish list. And this person would be
a minister in a Rudd Labor government.

The Leader of the Opposition, of course,
knows all about poor dental health. When he
was the director-general of the Christian so-
cialist state of Queensland, people waited up
to three years on public dental waiting lists.
When he was the director-general he took no
action whatsoever to fluoridate the Queens-
land water supply, which is why people in
Queensland have by far the worst oral health
in Australia. When he was the director-
general he all but closed down the dental
clinic at Queen Elizabeth II hospital in the
electorate of Moreton. Why does anyone
think that this failed former public servant
would be better at running the country than
he was at helping to run the state of Queen-
slund? I ask the Leader of the Opposition:
please say clearly what Labor’s dental policy
is. I think he will know as much about La-
bor’s dental policy as he knew about Labor’s
productivity policy. If he does not know his
own policy, he is certainly not fit to form a
government in this country.
Mr RUDD (3.00 pm)—My question is again to the Prime Minister. Has the Prime Minister informed the Leader of the National Party that on his list of the top 40 priority government-held seats to be targeted with his broadband policy, only four National Party seats make the cut? Why is the Prime Minister proposing a second-rate broadband solution for people in rural and regional Australia? Why has the government failed to stand up for the interests of regional Australia in the policy it has put forward on broadband today?

Mr HOWARD—In answering that question I might observe that, unlike the Leader of the Opposition, at least the member for Calare asked a question on behalf of his constituents.

Mr Albanese interjecting—

The SPEAKER—The member for Grayndler has been warned!

Mr HOWARD—The Leader of the National Party was a major participant in the government’s decisions in relation to these matters, and I can assure you that the constituents represented by the Leader of the National Party and all of his colleagues, as well as the rural and regional constituents represented by the Liberal Party, are well pleased with the decision that has been taken.

We have now had about six questions—not on the substance, not on the technology. It is all about this pathetic argument of the Leader of the Opposition that there is something wrong with the fact that the majority of country people in this nation are represented in this parliament by the National Party and by the Liberal Party. Let me say to the Leader of the Opposition that the reason for that is that those parties represent the interests of country people more vigorously and more effectively than does the Australian Labor Party. We have demonstrated that by the fact that we have set aside a $2 billion telecommunications fund for the bush. That is a dedicated fund. It is a fund that, under our policies, will be kept for the bush, effectively in perpetuity. The Labor Party proposes to rob the bush of that money and use it to fund a large company to roll out a fibre network essentially in the built-up areas of Australia. If the people of rural Australia want to know who is on their side, let me tell them that the Leader of the Opposition wants to take their $2 billion and use it to pay a large company to roll out essentially a fibre network for the built-up areas of Australia when they should be rolling out that network out of their own pockets and not out of the pockets of people who live in the rural parts of Australia.

I would never presume to speak for my friend and colleague the Leader of the National Party, but I think he would be one with me in saying that the interests of rural people are being well and truly served in the announcement both of us were very proud to make this morning in Goulburn.

National Security

Mrs BRONWYN BISHOP (3.03 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on the arrests of the Jemaah Islamiyah leadership in Indonesia?

Mr DOWNER—I thank the honourable member for her question and for her interest. The government warmly welcomes the announcement made by the Indonesian authorities that they have captured the man who is often described these days as the overall leader, or the emir, of Jemaah Islamiyah, who goes by the name of Zarkasih. The announcement followed an earlier announcement by the Indonesians—as I mentioned in the House last week—that Jemaah Islamiyah military operations chief Abu Dujana had
also been captured. This demonstrates the effectiveness of the work that the Indonesian government is doing in the area of counter-terrorism. I understand that Abu Dujana has told the Indonesian police that Zarkash was the latest in the line of emirs—which included Abu Bakar Bashir, who will be familiar, at least by name, to many members in this House.

Having said these things, and having congratulated the Indonesians on the excellent work that they have done, let me make this point: Jemaah Islamiah is still a dangerous foe, and it is very important that we are not complacent in addressing this issue. I know that questions of terrorism are not so much front of mind in public debate in Australia today, but that does not mean they have gone away. There are still key individuals on the loose, like Noordin Top, but it must be recognised that Jemaah Islamiah and other extremist groups have suffered a very severe reverse in recent times. In broad terms, what is happening in Indonesia, in the Philippines and elsewhere in the region in counterterrorism is very successful.

I want to take this opportunity to say what a good job my department, the Australian Federal Police and the intelligence agencies of Australia have done in working with allies, like the United States, in assisting countries in the region to address these issues. I know this does not interest the opposition very much—I do not think they have asked me a single question in 2007, as a matter of fact—and they must find all this baffling, because it was not long ago that the narrative of the opposition, including from the Leader of the Opposition, was that our foreign policies made Australians less safe. That was the basic argument of the Leader of the Opposition, yet here we are seeing great success in the area of counterterrorism in South-East Asia in our own immediate neighbourhood.

If I may say so, I think the opposition is very complacent about this issue. Why do I think that? On 2 March, the member for Melbourne issued a press release in which he said he wanted to cut $31.3 million off the budget of the Department of Foreign Affairs and Trade in areas which, in particular, focus on counterterrorism and the consular and crisis response work of the department. This government will continue to be strong and determined in confronting and fighting terrorism. We will work bilaterally—not just as liberal multilateralists—with our friends and neighbours in the region to assist them wherever we can. I hope that we can continue with the successes that so far have been achieved.

**Broadband**

Mr RUDD (3.07 pm)—My question is to the Prime Minister and goes to the integrity of the cabinet decision-making process on broadband. Will the Prime Minister confirm that public servants were requested to prepare electorate maps for the purposes of the 5 June cabinet meeting that determined the government’s ‘top 40’ broadband policy? Were electorate maps referred to in that meeting?

Mr HOWARD—I was actually absent from the 5 June meeting, so I am not a direct witness. But, knowing him as I do, I am absolutely certain that the Leader of the National Party and Deputy Prime Minister would have conducted the cabinet meeting with complete integrity and propriety and that appropriate advice would have been obtained before that meeting. The most important thing is that the right decision was taken. What came out of that meeting was a decision that 99 per cent of Australians will have access in two years time—as against four or five years time from the Labor Party taxpayer funded scheme—to very fast broadband.
I just do not understand why the Leader of the Opposition is going on about and criticising a decision that is good for 99 per cent of the Australian people. It beggars belief that the Leader of the Opposition could object to something which is overwhelmingly in favour of people spread right throughout the country. As understanding of this decision spreads around Australia, he will find that it is even-handed in its benefits and even-handed in its application. If 99 per cent of the population is going to benefit, how on earth can the Leader of the Opposition be logically opposed to it?

**Education**

Mr FAWCETT (3.09 pm)—My question is addressed to the Minister for Education, Science and Training. Minister, how is the government ensuring that parents in government and non-government schools are supported and provided with choice? Minister, are you aware of any policies that threaten this choice? What is the government’s response?

Ms JULIE BISHOP—I thank the member for Wakefield for his question. The Howard government is committed to ensuring that parents in government and non-government schools are supported and provided with choice. The Australian government is committed to a strong public sector and a strong private sector. That is why the Australian government has ensured that there has been record funding for all schools across Australia since 1996. In fact, there has been a 160 per cent increase in funding for all schools, and that includes a 120 per cent funding increase for government schools, even though enrolments in government schools have increased by only one per cent over that time.

I was asked about alternative policies. According to a transcript on 702 ABC, the Labor Party are saying publicly that they are committed to the current indexation arrangements, that Labor will not take money off schools and that Labor have abandoned the Beazley-Macklin-Latham hit list. That is what they say. We know that the unions are committed to the hit list, because their misleading advertising campaign shows that they are hell-bent on taking money away from Catholic and independent schools. But guess what? So is Labor. Labor are committed to the hit list. It is done in a very underhand way. Labor’s 2007 national policy platform says that the Labor Party in government will fund non-government schools based on need. The words are specifically that they will take into account ‘income from private resources when assessing financial need’. This is Latham’s resources model. This is, word for word, Mark Latham policy. The resources model was the basis for the hit list—so the hit list lives on. As the independent schools sector of New South Wales said only last week on radio, the resources model in the Labor Party’s national policy platform is a direct attack—

Mr Kerr interjecting—

The SPEAKER—Order! The member for Denison! The minister has the call.

Ms JULIE BISHOP—Mr Speaker, I am quoting from the Association of Independent Schools of New South Wales, who said last week that this resources model is ‘a direct attack on parents of children in independent schools’. But it gets worse. The Leader of the Opposition has now chimed in on education policy. According to the Leader of the Opposition, they will fund all schools—government, non-government, religious or secular—based on need. In other words, they will fund all schools based on the resources model. And the resources model equals the hit list. So the hit list has now been extended to government schools. So the private income sources of all government schools are
now being taken into account. Parents who raise money—

**Opposition members interjecting**—

**The SPEAKER**—Order! The minister will resume her seat.

**Ms Plibersek interjecting**—

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

**Ms Plibersek interjecting**—

**The SPEAKER**—The member for Sydney will remove herself under standing order 94(a).

*The member for Sydney then left the chamber.*

**The SPEAKER**—The minister has the call and the minister will be heard.

**Ms JULIE BISHOP**—Out of the Leader of the Opposition’s own mouth, we find that the hit list will now be extended to government schools. Government schools that raise funds from private sources such as fetes, building appeals, fundraising from parents and fees from parents—and parents in government schools pay fees, make no mistake—will have these sources taken into account when funding is calculated for government schools.

**Mr Sawford interjecting**—

**The SPEAKER**—The member for Port Adelaide is warned!

**Ms JULIE BISHOP**—It is not just me identifying this issue; it is not just the independent schools. We have already seen what a state Labor government is doing.

**Ms Vamvakinou interjecting**—

**The SPEAKER**—The minister will resume her seat. The member for Calwell has been warned. She continues to interject. She will remove herself under standing order 94(a).

*The member for Calwell then left the chamber.*

**Ms JULIE BISHOP**—As the Treasurer always says, ‘Do not listen to what Labor say; look at what they do.’ The South Australian Labor government has already identified government schools that have savings accounts. It has identified schools that have put savings from fetes, building appeals and fees into a savings account, and as part of this year’s budget the state Labor government is raiding those bank accounts. I call on the Labor Party to identify the government schools that will have their funding affected under a resources model. I call on the Labor Party to identify the non-government schools that will have their funding arrangements affected under their resources model. The hit list lives on and Labor should be up-front with the Australian people about their dishonest education policy.

**Liberal Party**

**Mr ALBANESE** (3.16 pm)—My question is to the Prime Minister.

**Government members interjecting**—

**Mr ALBANESE**—Standing order 62, Mr Speaker.

**The SPEAKER**—The Manager of Opposition Business will come to his question.

**Mr ALBANESE**—My question is to the Prime Minister.

**Government members interjecting**—

**Mr ALBANESE**—Mr Speaker!

**The SPEAKER**—The Manager of Opposition Business will come to his question.

**Mr ALBANESE**—Does the Prime Minister recall the Treasurer saying on 21 March 2007 in relation to Liberal Party preselections:

The Liberal Party will not endorse anybody who has a controversial record in relation to slurs or allegations and I am sure that when the Liberal
Party deals with this matter it will deal with it taking all of those matters into account.

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. The question is in breach of the standing orders. It does not relate to the responsibilities of the Prime Minister in any of the items set out in the standing orders.

The SPEAKER—The Manager of Opposition Business has not completed his question. I call the Manager of Opposition Business. I will listen closely to the question.

Mr ALBANESE—Given that the former Leader of the New South Wales Liberal Party, John Brogden, has directly blamed Alex Hawke for spreading slurs and allegations about him, does the Prime Minister think that Alex Hawke is a suitable candidate for the Liberal Party?

The SPEAKER—That question is not within his responsibilities, but if the Prime Minister chooses to answer the question he may.

Mr HOWARD—I choose to. I want to do two things. First of all, her interjection reminds me to congratulate the member for Mackellar on being re-endorsed by the good folk of Mackellar. I completely support the decision of the Liberal Party preselection committee in Mitchell. I uphold the due processes of our party in its Victorian division manifestation when we made the comments that we did before the matter was dealt with by the administrative committee. I take this opportunity—which I have availed myself of in relation to this question—to place on record my very deep affection for and gratitude to the member for Mitchell, Alan Cadman, and for the wonderful job—

Mr Brendan O’Connor interjecting—

The SPEAKER—The member for Gorton is warned!

Mr HOWARD—that he has done representing the people of Mitchell since that very rainy day on 18 May 1974 when both of us were elected to the national parliament. Alan has been a wonderful servant of the party and the people of Mitchell.

Mr Melham interjecting—

The SPEAKER—The member for Banks is warned!

Mr HOWARD—I will have another opportunity of thanking him, but I will thank him now seeing that I am on my feet—and I thank the member for Grayndler for giving me this unexpected opportunity; life is full of surprises, and he is one of them.

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

PERSONAL EXPLANATIONS

Mr BEVIS (Brisbane) (3.19 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr BEVIS—Yes.

The SPEAKER—Please proceed.

Mr BEVIS—I was misrepresented during question time by the Minister for Foreign Affairs, who, in answer to a doory dix question in relation to terrorism, asserted that those of us on this side had shown no interest in those matters. In fact, he should be aware that—

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

Mr BEVIS—I issued a press release on 4 April in which I said that we welcome news that the Indonesian national police, working with the Australian Federal Police, had captured five suspected terrorists. I went on to point out that it was positive news for regional security. On matters of this kind, we
would expect the foreign minister to demonstrate a higher level of performance and bipartisanship than he demonstrated today.

Mr SWAN (Lilley) (3.20 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr SWAN—Yes.

The SPEAKER—Please proceed.

Mr SWAN—Today in question time the Treasurer again asserted that Labor has a plan to increase taxes. This is wrong. I draw to the attention of the House my comments during the Tax Laws Amendment (Personal Income Tax Reduction) Bill 2007. Labor supported all the tax measures in the budget. I quote from that speech:

Since the 2005 budget, the mining boom has delivered even more revenue than the coalition could have imagined—

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

Mr SWAN—Mr Speaker, if I could get my comments out, I would.

Government members interjecting—

Mr SWAN—How about some protection from over there?

The SPEAKER—The member will not debate his—

Mr SWAN—Well, give me a chance.

The SPEAKER—I am listening, but the member must show where he has been misrepresented. He must not debate—

Mr SWAN—If I could get my quote out, I would show you, Mr Speaker.

Mr Ian Macfarlane—What about the relevant bits?

Mr SWAN—What are you going to do, Mr Speaker? Am I going to get some protection or not?

The SPEAKER—The minister for industry is not helping.

Mr SWAN—Are you going to warn him, Mr Speaker?

The SPEAKER—The member for Lilley will not reflect on the chair.

Mr SWAN—I would appreciate your protection.

The SPEAKER—I have called the member for Lilley.

Mr SWAN—To continue:

... so further tax measures have been made possible since Labor first moved these amendments. That is entirely appropriate, and Labor supports all of them.
Ms GILLARD (Lalor) (3.22 pm)—Mr Speaker, I wish to make a personal explanation.

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

Ms GILLARD—Yes, I do, in question time.

The SPEAKER—Please proceed.

Ms GILLARD—In question time today the Minister for Employment and Workplace Relations claimed I was opposed to employees getting information about their work entitlements. Of course this is untrue. I am opposed to this government fining employers $110 for each and every time they fail to give an employee a propaganda statement.

The SPEAKER—The member has made her point. The member will resume her seat.

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS
Workplace Relations

Mr HOCKEY (North Sydney—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (3.23 pm)—Mr Speaker, I would like to add to an answer today. I am happy to table the Insiders transcript where typically the Deputy Leader of the Opposition says:

I’m troubled Australian employers are basically being forced by the Government to hand out its propaganda.

Ms Gillard interjecting—

The SPEAKER—The deputy leader has been warned!

Mr HOCKEY—And: It’s a ridiculous burden to put on business, particularly small business. This just shows what a hypocrite she is.

The SPEAKER—The minister will withdraw that last remark.

Mr HOCKEY—I withdraw, Mr Speaker.

QUESTIONS TO THE SPEAKER
Standing Orders

Mr McMULLAN (3.24 pm)—I have a question to you, Mr Speaker. It relates to the interpretation of the standing orders. On each of the last two sitting days the Treasurer has interjected while standing in the corridor—the last day from over there and today from over there. In all the time I have been in parliament I have only seen that done twice without a warning being given, and those were those last two days. I ask you to reflect on whether you are going to allow the practice to continue without—

Mr Hockey interjecting—

The SPEAKER—The minister for employment is warned!

Mr McMULLAN—Mr Speaker, I ask you to consider whether you are going to allow members to interject without warning while standing in the corridors and, in fact, to repeat that behaviour without response from you.

The SPEAKER—I have listened carefully to the member for Fraser. I endeavour to uphold the standing orders and I will continue to do so in order to keep this place as orderly as members should expect, but I ask for the cooperation of all members to do that too.

Parliamentary Behaviour

Mr ALBANESE (3.25 pm)—I have a question to you, Mr Speaker. My question to you is: how many members from the opposition side of the House were ejected from parliament today and how many were warned? On the other side, how many were ejected and how many were warned?

Mr Abbott—Mr Speaker, on a point of order: that question is plainly a reflection on the chair by a member who regularly reflects on the chair, and this member should be dealt with.
Mr Albanese interjecting—

The SPEAKER—The member for Grayndler has been warned. If he wants me to answer his question before he adds his name to that list, he might listen. I say to the member for Grayndler: the answer is quite simple. He should refer to the Hansard.

Parliamentary Behaviour

Mr ALBANESE (3.26 pm)—Is it the case that before today 30 members on this side of the House had been asked to leave the House and only one member of the government? Can I ask a further question?

The SPEAKER—The Manager of Opposition Business is asking questions that he can find out for himself from the chamber research office. I refer him to there.

Parliamentary Behaviour

Mr ALBANESE (3.26 pm)—Mr Speaker, can I ask a further question: is it acceptable that the Leader of the House has yet to name a standing order a single time that he has gone—

The SPEAKER—The member will resume his seat. That is not a point of order and it is not a question.

Mr Albanese interjecting—

The SPEAKER—The member for Grayndler is going perilously close to being disciplined.

PETITIONS

The Clerk—Petitions have been lodged for presentation as follows and copies will be referred to the appropriate ministers:

Immigration

The humble Petition of the Citizens of Australia, respectfully sheweth:

That we re affirm our support for the Constitution of the Commonwealth of Australia which states “Whereas the people of New South Wales, Victoria, South Australia, Queensland and Tasmania humbly relying on the blessing of Almighty God, have agreed to unite in one indissoluble Federal Commonwealth “(Constitution Act 9th July 1900) and the affirmation of 69% of our Australian population that they are Christians, and the statement of one of our founders that “this Commonwealth of Australia from its first stage will be a Christian Commonwealth” (Sir John Downer 1898), and the Opening Prayer of the Parliaments “Almighty God we humbly beseech Thee to vouchsafe Thy blessing upon this Parliament. Direct and prosper our deliberations to the advancement of Thy glory” and recognises the importance of these beliefs in ensuring the ongoing stability and unity of our Christian nation.

Your petitioners therefore pray the Parliament of Australia will:

1. Review our Commonwealth Immigration Policy to ensure the priority for Christians from all races and colours, especially from persecuted nations, as both immigrants and refugees.

2. Adopt a ten year moratorium on Muslim immigration, so an assessment can be made on the social and political disharmony currently occurring in the Netherlands, France and the UK, so as to ensure we avoid making the same mistakes; and allow a decade for the Muslim leadership and community in Australia to reassess their situation so as to reject any attempt to establish an Islamic nation within our Australian nation.

And your petitioners, as in duty bound, will ever pray.

by Mr Andren (from 9 citizens)
by Mr Baldwin (from 90 citizens)
by Mr Cadman (from 76 citizens)
by Mr Causley (from 185 citizens)
by Mr Downer (from 12 citizens)
by Mr Fitzgibbon (from 1 citizen)
by Ms Hoare (from 12 citizens)
by Mrs Hull (from 12 citizens)
by Ms Livermore (from 38 citizens)
by Mr Ian Macfarlane (from 10 citizens)
by Mr Melham (from 9 citizens)
Dental Health

Petition to the Honourable Speaker and Members of the House of Representatives assembled in Parliament:

This petition of certain citizens of Australia draws to the attention of the House, the long dental waiting lists and under funding of our public dental system.

Your Petitioners therefore ask the House to:

• Re-introduce the Commonwealth Dental Scheme and restore funding to public dental health,
• Reduce waiting times for public dental health services, and
• Train more public dentists.

by Ms Owens (from 38 citizens)
by Mr Pearce (from 30 citizens)
by Mr Robb (from 24 citizens)
by Mr Bruce Scott (from 13 citizens)
by Mr Anthony Smith (from 9 citizens)
by Mr Somlyay (from 66 citizens)
by Mr Vaile (from 85 citizens)
by Mr Windsor (from 68 citizens)

Indigenous Australians

To the honourable the Speaker and Members of the House of Representatives assembled in Parliament:

The petition of certain citizens of Australia draws to the attention of the House the lack of progress made on many of the aims outlined in the document ‘The Roadmap for Reconciliation’. This is seven years after the ‘Australian Declaration Towards Reconciliation’ was presented at ‘Coomboorree 2000’ on 27th May 2000 and forty years after the referendum held on the 27th of May 1967.

Your petitioners therefore request the House to:

• Recognising that pre 1778 Australia was owned, occupied and ruled for many thou-

sands of years by Aboriginal and Torres Strait Islander peoples.
• Recognising that since 1778 Aboriginal and Torres Strait islander people have suffered removal of their sovereignty, dispossession and dispersal from their land and the forcible removal of their children.
• Leading that part of the nation which needs to do so to ‘apologise and express its sincere regret for the injustices of the past’ so that the other part may ‘accept the apologies and forgive’;
• Re-invigorating the strategy to redress the notorious disadvantage of Aboriginal and Torres Strait Islander people in areas such as health, education and employment opportunities, and imprisonment rates;
• Renewing national commitment to the appreciation of and respect for, Aboriginal and Torres Strait islander cultural practices;
• Re-affirming support for the reconciliation process as outlined in The Australian Declaration Towards Reconciliation and the Roadmap for Reconciliation;
• Re-committing the nation to eradicating racism, injustice and inequality from our communities.

by Mr Georganas (from 263 citizens)
by Mr Murphy (from 3,505 citizens)

by Mr Gavan O’Connor (from 284 citizens)
by Mr Tanner (from 13 citizens)

Iran

To the honourable the Speaker and Members of the House of Representatives assembled in Parliament:

The petition of certain citizens of Australia draws to the attention of the House recent statements made by the President of Iran, Mr Moahmoud Ahmadinejad, in which he:

(1) calls for the destruction of the State of Israel;
(2) warns that any Muslims who support the State of Israel will burn in the Umma of Islam; and
(3) denies the Nazi genocide against the jews of Europe and demonise Jews.

Your petitioners therefore request the House to:
(1) condemn the statements made by the Iranian President;
(2) call on the Australian Government to:
   (a) refer the incitements to genocide by President Ahmadinejad and other Iranian leaders to the appropriate agencies of the United Nations for account;
   (b) initiate in the International Court of Justice an inter-state complaint against Iran, for its criminal violation of the Convention on the prevention and Punishment of the Crime of genocide; and
   (c) urge the United Nations to act against Iran’s threats towards the State of Israel; and
(3) affirm the principle that no country should be allowed to call for the elimination of another.

by Mr Danby (from 776 citizens)

Water
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:
The petition of certain citizens of Australia draws to the attention of the House its objection to send water from the Northern Rivers of the State of New South Wales to Queensland. The petitioners therefore request the House to reject any plans to send water from the Northern Rivers of the State of New South Wales to Queensland.

by Mrs Elliot (from 60 citizens)

Main North Road
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.
The petition of certain electors of the Division of Wakefield draws to the attention of the House the poor condition of Main North Road between Clare and Gawler, South Australia.
Specific problems with the road include the lack of overtaking lanes, the lack of edge lines on sections of the road and insufficient sealing of road shoulders, the general condition of the road is also poor.
Main North Road carries high volumes of traffic. The South Australian Government estimate that between 1,400 and 7,000 vehicles use this road daily and commercial vehicles, including semi-trailer trucks, make up five to seven per cent of this traffic.
The Clare Valley region has important tourism, viticulture and agriculture sectors and the safety of the mix of commuters using this road is compromised by the poor condition of the road. In fact, the road has deteriorated to the point that the surface is causing back problems, for truck drivers in particular, to the point of having to take time off work.
Your petitioners therefore request the House examine the measures that can be taken to improve the road condition, install of overtaking lanes, seal the road shoulders and incorporate edge lines.

by Mr Fawcett (from 3,957 citizens)

Veterans Carers
To the Honourable the Speaker and Members of the House of Representatives Assembled in Parliament:
The petition of concerned citizens of Australia draws to the attention of the House the fact that Carers of disabled veterans take care of their veteran 24 hours a day, 7 days a week, every week of the year. For their dedicated work, these carers receive the sum of $6.76 per day Carers’ Allowance. As a consequence of the heavy work involved in the caring process, Carers find themselves suffering physical disabilities and depression and often need similar care to that which they are giving to disabled veterans.
Your petitioners therefore request the House to:
• Administer and pay Carers’ Allowance to Carers of Veterans through the Department of Veterans’ Affairs.
• Provide a health programme for carers of Veterans to cover all aspects of their well being.
• Provide transport assistance to veteran’s Carers for their return trip home when the veteran is hospitalised and does not return with them.
• Provide relief from parking fees for Carers when visiting hospitalised veteran.
• Subsidize accommodation to enable the carers to stay nearby the veteran if their veteran is hospitalized away from their home town.
• Increase the amount of respite available to Carers of disabled veterans.
• Remove the abolition of payment of the Carer’s Allowance which ceases after a period of six weeks if the Carer’s veteran is required to stay in care outside of his home.

by Mr Georganas (from 1 citizen)

Blood Donation
This petition of certain citizens of Australia draws to the attention of the House, the current review, required under the Australian-United States Free Trade Agreement, of the offshore processing of blood plasma products from blood donated by Australians.

There are widespread concerns about the impact on volunteer donors if Australian blood is processed overseas. Australians who donate their blood have the right to ask if competition for the sake of the Australia/US FTA is more important to the Howard Government than the guarantee of one of the safest blood supply systems in the world.

Your petitioners ask the House to ensure that:
• Australian plasma is not shipped offshore for processing;
• Blood products will not become unaffordable or unavailable to those people in Australia with rare blood disorders;
• Australia maintains self-sufficiency in blood and blood products; and
• Australia’s voluntary blood donation system is not undermined.

by Mr Georganas (from 10 citizens)

Medical Services
Petition to the Honourable Speaker and Members of the House of Representatives assembled in Parliament:

This petition of certain citizens of Australia draws to the attention of the House, the crisis in medical workforce due to the neglect of the Howard Government.

Your petitioners therefore ask the House to:
• Increase the number of undergraduate university places for medical students;
• Increase the number of medical training places, and
• Ensure Australia trains enough Australian doctors, nurses and other medical professionals to maintain the quality care provided by our hospitals and other health services in the future.

by Mr Georganas (from 12 citizens)

Same-Sex Couples
Petition to the Speaker and Members of the House of Representatives assembled in Parliament.

We, the undersigned, have this 15th day of April at Canberra witnessed the duly solemnised marriage, according to the usages of the Religious Society of Friends (Quakers), between David Douglass Mills and Evan Peter Gallagher.

In witnessing this marriage, we have been moved by a deep sense of the equality of all people. We acknowledge the diversity of human relationships and value equally all relationships that are committed and loving.

We therefore ask the House to amend the laws of the Commonwealth of Australia to:
• give full legal recognition to the marriage of David Douglass Mills and Evan Peter Gallagher equal to that currently given to valid different sex marriages,
• extend full legal recognition to same sex marriages on the same basis as that given to valid different sex marriages, and
• remove all remaining distinctions between the recognition given to same sex couples and that given to different sex couples.

by Mr McMullan (from 81 citizens)

Air Command Band
Petition to the Honourable the Speaker and Members of the House of Representatives Assembled in Parliament.

This Petition of certain Citizens of Australia listed below, draws the attention of the House to the decision of the Chief of the Airforce to disband
the Richmond based **Air Command Band** by January 2008.

Your Petitioners therefore request that the House persuade the Minister for Defence to have this decision reversed and the said Band retained.

by **Mr Murphy** (from 22 citizens)

**Australian National Flag**

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:

The petition of certain citizens of Australia draws to the attention of the House to recent media about the act of burning the National Flag and selling materials necessary to carry out such an act. Your petitioners therefore request the House to take legislative action to protect the dignity and values of the Australian National Flag by making it an offence to burn or desecrate the National Flag or to sell flag burning kits.

by **Mr Bruce Scott** (from 100 citizens)

**Firearms**

To the Honourable Speaker and Members of the House of Representatives assembled in Parliament.

The petition of certain citizens and permanent residents of Australia draws to the attention of the House the positive working relationship between the New Zealand Government, police, and licensed firearms owners, and the adoption of similar consultative practices in Canada. This petition draws to the attention of the House the importance of evidence-based policy, the increasing body of evidence from sources such as the Australian Institute of Criminology demonstrating the lack of impact of restrictive firearms legislation upon firearm homicide and firearm suicide, and the need to consult with key stakeholders affected by any legislation.

Your petitioners therefore respectfully request that the House—

(a) Acknowledge the need for any firearms legislation enacted by the State, Territory or Federal Parliaments of the Commonwealth to be based upon robust, peer-reviewed evidence and to incorporate the New Zealand consultative model.

(b) Recognise international sports shooting events other than Olympic and Commonwealth events.

(c) Ensure that legislation provides our sports people are on a level playing field with international competitors.

by **Mr Tollner** (from 990 citizens)

**Dental Health**

To the Honourable Speaker and Members of the House of Representatives assembled in Parliament.

The petition of residents of the State of NSW. Draws attention of the House of the inadequacy of Dental Health Care which can lead to life threatening diseases.

Your petitioners therefore request the House that we, the undersigned, implore you to introduce a National Dental Health Scheme, as a matter of urgency, to be funded by a 1% levy of taxable income, this amount to be added on to the Medicare levy.

by **Mr Windsor** (from 1,302 citizens)

**Fuel Prices**

**Mr BOWEN** (Prospect) (3.29 pm)—I 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.

There must be an election coming on. On Friday the government finally acted—finally gave the ACCC a direction to hold an inquiry into petrol prices in this country. After a mountain of calls from every peak motoring body in this country, after almost daily calls from the opposition and after anger from motorists across this country, the government finally acted. The government say they have acted because Graeme Samuel told them it was appropriate to hold an inquiry into petrol pricing. The Australian people are entitled to think that it has more to do with Mark Textor saying it is appropriate to hold an inquiry into petrol pricing. Let’s have a look at the history of this matter.

In 2005, the chairman of the ACCC, Graeme Samuel, said there was ‘something funny going on’ with petrol pricing. Mr Samuel was reported on 9 September 2005 as saying:

… the commission did not have a formal role regarding fuel prices, only advisory but there were strange occurrences regarding price margins.

In January this year, the chairman of the ACCC was reduced—again because of his lack of powers from this government—to pleading with petrol companies; as the front page of the Daily Telegraph in Sydney said, ‘Stop petrol rip-off now’. In the last fortnight, the ACCC issued a press release saying that reductions in the Singapore price of oil are not being passed on to Australian motorists. On each of these occasions, the government took no action—not in 2005, not in January, but only in June. Why? Because we are a couple of months from an election. At least this time they took some action. The only thing that is different is that an election is coming up. This government, which has had a tin ear to the concerns of Australian motorists for the past 11 years, suddenly feels their pain.

Now, is it the first time these concerns have been raised? Of course it is not. Australian motorists and consumers, the Labor Party and peak bodies have been raising these concerns. The Labor Party have been listening. We recognise that the biggest impact on petrol prices in this country is world oil prices. We have always said that. But we also say that, when petrol is so expensive, the government has an important obligation to make sure that Australian motorists are not paying one cent more than they need to at the petrol pump—and the ACCC is the best and, in many ways, the only mechanism for achieving that.

We recognise that petrol has a huge impact on people’s bottom lines—a huge impact at the bowser and a huge flow-through impact at the grocery store and the supermarket. We recognise that the oil and petrol industry in this country is concentrated, and concerns have been raised by no less a person than the chairman of the ACCC, somebody for whom I have a high regard, someone who has been saying since 2005 that there is ‘something funny going on’ with petrol prices. Yet the government only act in 2007. How did they act? There will be a temporary inquiry, an inquiry that will finish in October, an inquiry referred to the ACCC under section 95H of the Trade Practices Act. Is this good enough? No, it is not. Why don’t we actually adopt Labor’s plan and have formal monitoring on an indefinite and rolling basis under section 95ZE of the act? Let’s give the ACCC the power to formally monitor petrol prices on an ongoing basis. Just because we know now that there is
something funny going on’ with petrol prices, why limit the inquiry to this year just because it is an election year? Why not give the ACCC these powers on an ongoing basis?

Another interesting thing about the government’s decision to refer the powers under section 95H of the Trade Practices Act is that it is a return to petrol price regulation to some degree. This is something the government were keen to explore at Senate estimates. They were keen to explore it; they got it wrong. They thought that, under our policy, petrol prices could not increase while the inquiry was going on. Wrong. But, under their policy, oil companies have to apply to the government to increase petrol prices if they rise higher than they have over the last 12 months. It is a return to regulation, a path the Labor Party have avoided the temptation of going down. But, in their political desperation, at the last minute—after 11 years of saying, ‘We’re not going to return to regulation,’ after 11 years of saying, ‘There’s no problem,’ after 11 years of saying, ‘We’re not going to give the ACCC any more power’—they have had a conversion on the road to Damascus. (Time expired)

The DEPUTY SPEAKER (Hon. IR Causley)—Is the motion seconded?

Mr Byrne—I second the motion and reserve my right to speak.

Mr FAWCETT (Wakefield) (3.34 pm)—I rise to address this motion today concerning the important issue of petrol pricing, because it has such a large impact on the families, businesses and individuals in the electorate of Wakefield whom I have the privilege of representing in this place. It has a large impact on families because public transport is so poor in parts of South Australia. Families in One Tree Hill, from the Clare and Gilbert Valleys and out in Kapunda, as well as in some of the outer metropolitan areas, need to operate vehicles for just about everything they do, whether it be the shopping, taking children to sport or getting to work. This has a large impact on their weekly budget as petrol prices vary.

What is the industry’s position on this? The Australian Institute of Petroleum quite rightly point out that 95 per cent of the wholesale price is governed by the Singapore benchmark for 95 octane unleaded. Their figures—and they use a range of statistical measures, including a rolling seven-day average—show that the trend of the wholesale price follows the Singapore benchmark pretty closely, with about a two-week lag, and for both rising and falling prices, they claim. But I have to say that, from the feedback I get in the street and from what I see in the petrol stations, people are rightly sceptical about the fact that that lag is balanced on either side. People are also sceptical because the peaks and troughs within that seven-day rolling period seem to rise close to long weekends, public holidays and other times when they will have that greater demand for petrol.

What have the government done to date? Unlike the ALP, who supported indexation for petrol, which meant that the take of excise continued to increase, this government reduced excise by 6.7c a litre in 2000 and, in 2001, reduced excise again and in fact abolished indexation. The result of these measures is that petrol is now some 17.2c cheaper than it would have been if we had not abolished the indexation supported by the previous Labor government. So families who use, on average, say, 50 litres of petrol a week are now saving nearly $450 per year.

The result of these measures is that Australia is now the fourth lowest country with respect to petrol prices in the OECD; only the United States, Canada and Mexico offer lower prices to the public than Australia.
Other countries in the OECD can pay anything up to $2 a litre or more for petrol. State governments also play a part. It is terrific to see Queensland continuing with its subsidy of 8.4c per litre. It is sad to see that both Victoria and Tasmania, which have had a subsidy—albeit a very small one—are getting rid of that subsidy. I am sorry to report that South Australia does not have a subsidy even though, as Queensland demonstrates, because of the large amounts of GST flowing into those states, they have every capacity to provide that subsidy to motorists.

One of the other avenues that the government has to act is through the ACCC. The Australian Competition and Consumer Commission monitors petrol, diesel and auto LPG at 4,600 of the 6½ thousand sites around Australia. This monitoring is not a toothless tiger. In 2005 it identified price fixing in Brisbane and firms were fined some $470,000. In the Ballarat area, where a price-fixing cartel was identified, some $20.1 million of fines were allocated to, and costs were awarded against, the people who were guilty of that price fixing.

But it does not stop there. The Chair of the ACCC, Mr Graeme Samuels, noted in January this year and again in June that there is a noticeable margin emerging between the Singapore benchmark and the Australian retail price. He subsequently wrote to the Treasurer to ask that an inquiry be authorised under part VIIA of the act. The Treasurer has since authorised this and a report is due on 15 October 2007. One of the things the Australian public has been calling for is an inquiry that can go inside the gate to look at the books and the accounts of the petrol companies so that, unlike the many other inquiries that have been done, we can actually get to the depths of this and find out what is happening. It is hypocritical of the ALP to be criticising this power when they voted against the government’s amendments to the Trade Practices Act, which actually grant search-and-seizure powers to the ACCC to get exactly this kind of information. I welcome this inquiry and I trust the outcome will see further relief to the families of Wakefield.

Mr Byrne (Holt) (3.39 pm)—We can discuss and finesse the finer points as to why people have had to wait 11 years for this inquiry, the inquiry that we actually had to have, by the ACCC. But when you look at the evidence from the families in my electorate and the constant high prices that they have to pay for petrol you would hear them saying—these are not just my words but the words of many whom I speak to in my electorate—’It’s about time.’ It is about time that the government got serious about looking at what petrol companies have been doing, about the price gouging that has been occurring, and at the consequences for constituents’ lives as a result of the price of petrol.

For example, today, in my electorate of Holt, families will be filling up their petrol tanks at a price between 122.9c per litre and about 123.9c per litre. If you contrast that with June 1998, when the average price of unleaded petrol in metropolitan Melbourne was 68.7c per litre, you find that in nine years families are paying 55.2c per litre more for petrol. In nine years the cost of petrol has risen by 80 per cent, which is a substantial increase out of a person’s income every year. The interesting thing is what you see when you take snapshots through the last few years. For example, after Hurricane Katrina, in September 2005, the average Melbourne metropolitan price was 128.4c per litre. The lowest price recorded for the month was 115.1c; the highest price was 149.9c. That is a difference of 34.8c in that month. If you look at July 2006, which saw the highest prices in the last couple of years, for example in Melbourne, you see that the metropolitan
price averaged 136.6c. The lowest price recorded for the month was 126c; the highest price was 149c. That is a difference of 23c. In May 2007 the average price per litre was 130c. The lowest price was 115c; the highest was 143c. That is a difference of 28c. People in my electorate are justifiably asking why this inquiry has taken so long when there is such flagrant evidence of petrol price gouging by petrol companies being passed on to people. If you think that that does not affect normal working people in my electorate, think again.

We see the petrol price impact through community support organisations such as the Casey North Information and Support Service, whose director is Susan Magee. In April 2007, 275 people were assisted with the cost of travel through petrol vouchers or by assistance with the cost of public transport. In Cranbourne, which is a large working-class area with families with mortgages, the vast majority of clients are receiving Safeway vouchers, which can be used for food and petrol, but $30 is the maximum amount that they can give in order to work within the budget. Anecdotally, Leanne Petrides understands that many of her clients are using some if not all of their voucher allocation on petrol and often have to toss up between purchasing food, purchasing petrol, paying bills and buying clothes. There is enormous financial pressure on families. The high petrol costs have added to the financial pressures on families who are already coping with four successive interest rate rises since the 2004 election and eight successive interest rate rises since 2002.

How does this also manifest itself? If you look at the data from the Insolvency and Trustee Service Australia, which is the federal government agency responsible for the administration of personal insolvencies, it shows that in the period from 1999-2000 to 2005-06 personal insolvencies in south-eastern Melbourne have increased from 349 to 596 or by 70.8 per cent. South-eastern Melbourne includes the City of Casey and the Cardinia shire. Given that the City of Casey is the municipality area which the federal electorate of Holt is predominantly based in and has the highest rate of mortgages, we suspect that a majority of these personal insolvencies come from that particular area. This directly relates to the cost of petrol. When we did a survey last year we had an overwhelming response—a 22 per cent response rate—and a large percentage said that the cost of living, fuelled by the cost of petrol, was of concern. As I said in speaking to this motion, what people in my constituency would say, having borne the high price of petrol and the consequent effect on their families, is, ‘It’s about time.’

Mr SLIPPER (Fisher) (3.44 pm)—I am particularly pleased that last Friday, 15 June, the Treasurer announced that an inquiry will be held into petrol prices. I must say that I have often been concerned that the petrol price in Queensland, which does have a subsidy on fuel, is not very much less than that in New South Wales. I have wondered for a long time whether the taxpayers and the road users of Queensland are subsidising those in other states. It is interesting when one gets close to the Queensland-New South Wales border that the price in New South Wales appears to be almost at the Queensland price.

Petrol prices have for a long time been an issue of debate and controversy. Of course it was the coalition government that reduced Labor’s fuel excise. We took away indexation and we actually reduced the price of fuel a number of years ago. If that had not happened then the price of fuel at the bowser would be substantially more than it currently is. But there is no doubt that right around the country, in workplaces, bars, hotels, sporting clubs and even at petrol bowser themselves, there is ongoing discussion as to whether the
price being paid by the Australian motorists at the bowser is indeed fair and reasonable.

The ever-fluctuating price of fuel provides a constant source of bewilderment for a great number of Australians. I know people say that it is because of the law of supply and demand, but I have to say that I have had many complaints from constituents who say that just before pensions are paid or just before the end of the week or just as a public holiday approaches the price of fuel seems to go up, yet it seems to go down for no apparent reason when there is not a high demand for fuel. That might be the law of supply and demand, but the price going up and down—a bit like someone having a heart attack, as disclosed by a cardiograph—may indicate there is some action by fuel companies that is not in the interests of the road user.

The ACCC say that the simple answer is that the price of fuel, like the price of other commodities in a consumer-driven society, is demand driven. They point out that prices are subjected to a competitive market in which prices will drop when the demand is down and prices will rise when the demand is high. It is not rocket science for us to realise that these demands seem to rise around pay day and on the weekends and, as I said before, drop early in the week. The fact that prices might be consumer driven, even though it might be correct that this is the case, does not really justify the kinds of price hikes and spikes that we seem to see from time to time.

In April last year the chairman of the ACCC, Graeme Samuel, made it clear that if the ACCC ever find any evidence of this sort of collusion amongst fuel retailers to keep fuel prices high then they would use their substantial investigatory powers to uncover any illegal activity. Despite this explanation, it is likely that fluctuations in the price of petrol will continue to be a hot topic in the future because petrol is a must-have commodity, given the fact that we are a country with a large road system that is spread over a huge area and public transport is not quite what one would desire.

It does remain an ongoing challenge to the family budget when one looks at what the average family pays each week in fuel. The honourable member for Prospect appropriately raises this matter of private members’ business for debate in the people’s chamber. Having said that, I think, regrettably, the member has sought to politicise an issue when the government has already announced that action will be taken.

It is obvious also that, when in power, the Labor Party seemed to have a policy of hiking petrol prices. It is also a fact that, if state Labor governments were of a mind to introduce price controls on petrol, they could indeed do so. But Labor have not done so. I am not suggesting that this should be done, but I believe very strongly that we ought to look closely at the price being charged at the bowser because I share the concern of many other honourable members that all is not well in the area of petrol marketing.

However, the ALP has been desperately trawling for issues as the next election approaches. This government, though, continues to provide sound, effective government, as it has done since 1996, and the Treasurer’s recent announcement indicates that the government is on top of this issue. (Time expired)

Mr GIBBONS (Bendigo) (3.49 pm)—In its first term of government, the Howard government abolished the Prices Surveillance Authority, whose role was to monitor excessive price increases and prosecute people who indulged in price-fixing activities. Now, after ignoring the results of this disastrous decision, the federal government, in commissioning yet another investigation into petrol prices, has adopted a strategy directly
from the *Yes, Minister* manual on how to deal with difficult problems. When a government is confronted with a problem that requires a difficult solution and the government is aware of the solution but does not have the courage to implement it, it sets up an inquiry and arranges for that inquiry to discredit all other inquiries on the same issue. Sir Humphrey Appleby himself could not have arranged it any better.

Motorists throughout Australia, and particularly in regional Australia, do not need another inquiry to tell them that they are being comprehensively fleeced in the prices they pay for fuel—that is, petrol, LPG and diesel. As I outlined in a submission to the inquiry by the Senate Standing Committee on Economics into petrol pricing in Australia in August 2006, the average retail price for petrol in my electorate of Bendigo rose from 89c per litre in September 2003 to $1.45 per litre in June 2006. That is a massive rise of 62.9 per cent. On the June 2007 Queens Birthday long weekend the price was around $1.39 per litre.

Finally, after 11 years as Treasurer, Peter Costello has for the first time apparently told the Australian Competition and Consumer Commission, the ACCC, to look at anomalies between the price of benchmark Singapore oil and the price motorists are paying to fill their vehicles. So why, after 11 years of ignoring what is a major cost of living problem for most Australians, has the Treasurer finally acted—or at least appeared to have acted—on this vital issue? Because Labor announced a major policy on combating artificially inflated fuel prices and because we are almost on the eve of a federal election. The Treasurer has been stung into action because Labor, as always, has set the agenda on the important policy areas that affect most Australians.

I hope this is a genuine inquiry, designed to identify anomalies in the pricing structure of our fuel and to recommend real solutions, not just the usual arrogant spin and obscure statements designed to hoodwink the Australian public into believing the Howard government is actually doing something worthwhile on this vital commodity upon which so many Australians depend in their everyday lives. I have every confidence that the ACCC, if left to its own devices, will come up with a comprehensive report and recommendations to appropriately deal with the problem. The question is: will the Howard government have the courage to implement any recommendations? After 11 years of inaction, it does not look promising.

In my submission to last year’s Senate inquiry into petrol pricing, I urged the Howard government to immediately exercise its power under the Trade Practices Act and direct the ACCC to fully investigate petrol pricing in Australia and ensure transparency, competition and fair fuel prices for all consumers. I also urged the Howard government to develop a comprehensive, strategic framework, including tax incentives, promotion of research and new technologies, and the necessary infrastructure to ensure that Australia rapidly repositions itself to be less dependent on imported petroleum and a hostage to wild fluctuations in the world price of oil. Nobody believes the Howard government’s spin and distortion in ducking and weaving on the likelihood of artificially inflated fuel prices, including its favourite piece of dishonesty that (1) the ACCC has the powers to protect consumers from unlawful anticompetitive conduct and unlawful market practices through the provisions of the Trade Practices Act and (2) the ACCC monitors the daily average retail price of unleaded petrol, diesel and automotive LPG. What absolute rubbish!
There is a world of difference between observing the retail price of petrol in newspaper ads and over the internet, and vigorously investigating, using powers to subpoena documents and witnesses, in order to fully understand the pricing process and profit margins within the automotive fuel industry. The proof of this inquiry being fair dinkum will be a recommendation to dramatically expand the powers of the ACCC. If this is not included in the recommendations, then this will be nothing less than just another Sir Humphrey Appleby piece of deception solution—the same as all the others over the past 11 years.

Mr HARTSUYKER (Cowper) (3.54 pm)—The price of petrol is an issue that affects everyone whether it is reflected in the cost of filling our cars or in the cost of our food and other goods in shops which depend on fuel as an input. It is particularly serious for those living in rural communities where public transport is not an option. A rise in the price of petrol bites particularly hard on rural businesses where the use of transport, often over long distances, is a fixed and unavoidable part of carrying on trade in a large part of Australia. I therefore welcome the decision to have the ACCC hold an inquiry into the recent differences between international and domestic prices.

The ACCC has always had the option of advising the government that an inquiry was advisable but, clearly, until now, it has not felt the need. I should note that the ACCC currently monitors petrol, diesel and LPG prices at around 4,600 of the approximately 6,500 retail sites around Australia. Petrol prices are closely linked to the international price because petrol is an internationally traded commodity, and if we are not prepared to pay that price we simply will not get the product.

Despite their rhetoric, Labor has yet to produce real solutions to the issue of petrol price fluctuation and I welcome the fact that we will have an inquiry that will confirm or allay suspicions with regard to this matter. This motion by the member for Prospect will do nothing to bring down the price of petrol, not even by one cent. It is just another piece of grandstanding by the opposition latching onto a populist cause. The opposition leader woke up one day and his focus groups told him it was not Monday or Tuesday but Petrol Day and he should say something about petrol. If they were ever to come to power they would find that they would have to deliver some real outcomes, and that is far different from just making empty and ineffective promises.

They say the government has not been doing its job on petrol prices, but let me remind them that one of the key conclusions of the Senate Standing Committee on Economics inquiry into this topic last year was:

... the petrol market shows the characteristics of a strongly competitive market, with sufficient competitive forces to place downward pressure on retail petrol prices.

Do we really need Labor to remind us that we buy and sell petrol in an international market? Do we really need Labor to remind us that in a competitive market prices can go up as well as down? Do we really need Labor to remind us that Australia has the fourth lowest petrol prices in the OECD? Although Labor is in opposition in this House, it could do something about petrol prices. It could get its cronies in the states and territories to do something about petrol prices. But have they been doing that? They have been quite silent on that.

All credit to Queensland; it subsidises the cost of fuel by just over 8c a litre. But that is just Queensland. No other state comes close to that. If they were really concerned about
the price of petrol, they would get on the phone to their Labor mates in the other states and say: ‘Match Queensland. Subsidise the petrol as they do in Queensland.’ But they are silent. All states except Queensland have the powers to put some control in the pricing of petrol. They do in New South Wales, Victoria, Western Australia, South Australia and the ACT. They can impose price controls on declared fuels. But we have silence from the Leader of the Opposition, even on Petrol Day, with regard to that matter.

In the face of what Labor seem to call a crisis that apparently demands action, what have they done? They have created a nebulous figure, the petrol commissioner. I am not sure what the petrol commissioner would ever do in reality. I presume he will make a lot of noise, emit a lot of hot air and probably do nothing. He will no doubt be a Labor hack or some union crony. The moral we can draw from this is: Labor in opposition is good at talking but they are not much good at acting; Labor in power will not deliver.

We hear a lot about the tax on petrol, so let us look at the coalition government’s record in this regard. Petrol prices would be 17.2c a litre higher than they currently are if it were not for the decision of this government to eliminate the indexing of the fuel excise. That is an annual saving of some $448 for a family using 50 litres a week.

While Labor wring their hands and talk about petrol pricing, they come up with the rather nebulous concept of a petrol commissioner, who would do nothing to reduce the price of petrol. They are all hot air and talk on the issue of petrol prices. They care very little about the Australian people in this matter except when their focus groups tell them it is Petrol Day. They are unable to act. They are unable to deliver real solutions; just look at the states.

The DEPUTY SPEAKER (Hon. IR Causley)—Order! The time allotted for this debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

Human Rights in Zimbabwe

Mr BAIRD (Cook) (3.59 pm)—I 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 Maboni; 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.

In bringing forward this motion, I would like to share with the House some of the interview with Zimbabwean Archbishop Pius Ncube, which was conducted by Jo Chandler and published in the Sydney Morning Herald on 12 May this year. The archbishop was asked how he can continue to speak out against Robert Mugabe, given the real dan-
archbishops faced by those who choose to oppose his brutal regime. The archbishop said:

Something kind of breaks in you. It’s like you are challenged in the depths of your personality. Like someone is beating your mother in front of you. You can’t just fold your hands at let it happen. Some kind of disturbance stirs deep down in your gut, where you simply say ‘no’. Even if it means death.

He closed with this statement:

You can’t be quiet in the face of gross injustice.

Members of this parliament are well aware of the plight of the Zimbabwean people under the 27-year rule of Robert Mugabe. As far as human rights are concerned, Zimbabwe remains up there with Iraq and the Darfur region of Sudan as places where the world’s focus needs to remain.

Jo Chandler’s article reminds us of some of the truths about the current human rights situation in Zimbabwe. For example, it was recently announced that power would be cut to homes in Zimbabwe for up to 20 hours a day, due to the need to redirect this power to the country’s failing farms. The farms, of course, are not providing enough food to sustain Zimbabwe’s starving population. Life expectancy has plummeted to the world’s lowest: 34 years for women and 37 years for men. Let us just focus on that frightening statistic for a moment. Many of us here in this parliament, including me, have children who have passed this age and I for one cannot imagine or comprehend a situation like this where lives are cut so short.

Inflation runs officially at 3,700 per cent, according to the Zimbabwe Reserve Bank, although the actual figure for inflation is said by some to be closer to 12,000 per cent. Even at the official figure, a loaf of bread costing the equivalent of $A4.20, in reality sells for $28.50. A bus ride, therefore, would wipe out a worker’s entire earnings in one hit. School fees are known to double between one term and the next. This means that most Zimbabwean children are no longer able to attend schooling.

Even as the archbishop was visiting Australia recently, threats were continuing to build against religious leaders such as him who have chosen to speak out against the regime. Mr Mugabe has been quoted saying that Catholic archbishops were embarking on a ‘dangerous path’ if they continued to speak out in this way. Mugabe justifies this threat by stating that archbishops surrender their true spirituality when they venture into political advocacy. Archbishop Ncube is justified in speaking out against the plight of his fellow Zimbabweans, not only as a religious leader or a political advocate but, most importantly, as a man interested in human rights. When the archbishop states:

You can’t be quiet in the face of gross injustice—

he says this as one man who has taken on the responsibility to represent his people and will do anything within his power to ensure human rights are restored in Zimbabwe.

The international community, including this country, must also ensure that we too do not remain quiet in the face of gross injustice. We must continue to find ways to protect those living under Mugabe’s regime, to protect those who have the courage to speak up on behalf of their fellow Zimbabweans—people who speak for those who cannot find this voice. Organisations such as Amnesty International have grave concerns for the safety of spiritual leaders like Ncube, as well as for others who face violence and intimidation for expressing their views against the Zimbabwean regime.

This motion refers specifically to an incident on 8 May this year involving alleged misconduct of police from the Criminal Investigations Department of the Harare Central Police. It appears to me as though the only obstruction of justice in this case was
against the two lawyers in question and by the police involved in their arrest.

I move that this House notes these specific human rights violations as symbolic of the overall need for this parliament to continue to condemn the Mugabe regime for its failings against the Zimbabwean people. I call for the Zimbabwean government to fully implement the recommendations of the African Commission on Human and Peoples’ Rights in the 2002 fact-finding mission report. Finally, I ask that this parliament condemn the Mugabe regime for threats made against church leaders such as Archbishop Ncube. As a nation, we cannot remain quiet in the face of such gross injustice. (Time expired)

The DEPUTY SPEAKER—Is the motion seconded?

Mr KERR (Denison) (4.04 pm)—Yes, I am delighted to second this motion, which has been moved in a spirit of bipartisanship. And may I recognise the member for Cook for the work he does as chair of the Amnesty International Parliamentary Group and for the fact that he and a number of other members of this parliament do seek to address human rights abuses, divorcing ourselves from the exigencies of our political position—difficult as it may be sometimes to try and express these judgements objectively. That is why it is important to have a group like Amnesty above and beyond us as parliamentarians. We do try very much to speak on issues of human rights without partisanship and, in that regard, the member for Cook is an example to all who would come into this parliament, and I would hope that many follow his examples.

In this instance, the issue arose after the events of 8 May to which the member for Cook has referred. The Zimbabwe police violently stopped a demonstration organised by the Law Society of Zimbabwe to protest against what they asserted to be the unlawful arrest and ill-treatment of two of their fellow lawyers. Those two lawyers have been released subsequently but only after proceedings in the Zimbabwe courts, which were ignored for a very long period of time. The episode of 8 May was associated with the unprovoked beating of lawyers demonstrating peacefully in Harare. I have reports that the former president of the Law Society of Zimbabwe, Mordecai Mahlangu, was assaulted after seeking to present the Minister of Justice and Commissioner of Police with a petition protesting the unlawful arrest and detention of two colleagues. Of course, there were also reports that lawyers were beaten with rubber truncheons, batons and sticks. The current president of the Law Society of Zimbabwe, Mrs Beatrice Mtetwa, was arrested with three others and severely assaulted, according to the International Commission of Jurists.

These matters obviously demand attention in Zimbabwe. Beyond that, the regime that is operating in Zimbabwe has passed a point where it is proper to close one’s eyes to the routinisation of those kinds of abuses. Of course, the United States, with Guantanamo Bay and various other abuses that it is involved in, is hardly a shining light for those of us who take concerns about human rights seriously, but it does have a very useful reporting process. The US State Department routinely, on an annual basis, reports on human rights abuses around the globe. In relation to Zimbabwe, it reports: unlawful killings; politically motivated kidnappings; state sanctioned use of excessive force and torture; torture of members of the opposition, union leaders and civil society activists by security forces; arbitrary arrest and detention of journalists, demonstrators and religious leaders; executive influence and interference with the judiciary; repressive laws to suppress freedom of speech, press assembly
movement and association, and academic freedom; public threats of violence against demonstrators by high-ranking government officials; harassment of human rights and humanitarian non-governmental organisations; and interference with attempts to provide humanitarian assistance.

There has been a visit by the African Commission, and the Zimbabwean government says that they are looking at its recommendations. One hopes that they will address those matters with some degree of seriousness. I hope that we as a parliament will bring focused attention not just to Zimbabwe but to every instance where human rights are abused across this globe. We cannot give protection and comfort to human rights abuses perpetrated by those we like or whose ideology we support, nor can we ignore it when it is done by those we condemn, and nor should we judge it differently in relation to those two instances. I thank the honourable member for Cook for raising this matter.

I hope this resolution obtains support across both sides of this House and also from the Independents.

Mrs MARKUS (Greenway) (4.09 pm)—I rise in support of the motion put forward by the member for Cook. The police violence, systematic harassment and intimidation that took place on 8 May in Zimbabwe is absolutely unacceptable. It is alleged that protesters were beaten on the streets in front of the High Court, loaded into a truck and then moved to open grassland where they were beaten and assaulted further, all simply because they were expressing their public view and protest over the behaviour of the government—something that we in Australia take for granted.

Over 20 per cent of Zimbabwe’s 30 million people have contracted HIV. The average life expectancy is just a little over 37 years of age. The country has an annual GDP growth going backwards by 6.5 per cent and, as has already been mentioned, an inflation rate of over 3,714 per cent. More than three million people rely on international food distribution programs to survive and there are over 1.3 million orphans. They do indeed deserve better. They deserve better than an inflation rate that is spiralling out of control; they deserve better than an unemployment rate of over 80 per cent; they deserve better than having access to only four hours of power supply between 5 pm and 9 pm. It is absolutely unacceptable that a nation that was previously prosperous with food now imports food for its own people, and the cost of this food is then doubled not once but twice to cover the cost of importing in the following month. Meanwhile, Mugabe lives in the lap of luxury and his people around him experience extreme poverty, violence and corruption. The people of Zimbabwe do indeed deserve better.

I support the member for Cook’s call to demand an immediate independent investigation into the alleged misconduct of police officers from the Criminal Investigations Department’s law and order section. The members for Cook and Moreton, government members and I remain deeply concerned about ongoing attacks on opposition members and civil society leaders. It is not only time to condemn the Zimbabwe regime for threats made against church leaders, but the people of Zimbabwe are entitled to freedom of speech, freedom of expression, the freedom to not fear religious persecution and the opportunity to, indeed, reach their potential. I congratulate the Australian government on its steps to place pressure on the government of Zimbabwe to respect human rights, democracy and the rule of law and for the $6.7 million committed in aid to help those who are most vulnerable.

It is important to note the recommendations following the 2002 fact-finding mission.
of the African Commission on Human and Peoples’ Rights. The report highlights, firstly, that Zimbabwe is a divided society in need of assistance to withdraw from its potentially dangerous situation. I will note some of the mission’s recommendations. Firstly, on national dialogue and reconciliation it recommends that religious organisations are best placed to play the lead role in reconciling and mediating in dialogue between the different groups in Zimbabwe’s divided society. On creating an environment conducive to democracy and human rights it recommends that sections of the AIPPA that prohibit free expression of public opinion should be repealed and that sections of the POSA are reviewed. On independent national institutions it recommends that human rights violations and corruption could be prevented by putting in place independent national institutions to guard against them, such as an independent office to receive and investigate complaints against police. It also recommends that the judiciary needs to be independent and that the independence of the judiciary could be ensured by refraining from political attacks on its members and obeying judicial orders. On a professional police service, it recommends that efforts should be made to avoid any further politicisation of the police service and that the police service should never be at the service of any political party. There are a couple of other points, but the last one is that the reporting obligations to the African Commission should be met.

The Zimbabwe government must take urgent steps to submit its overdue periodic reports to the commission. This is indeed a sad state of affairs in Zimbabwe and we ought to do everything possible to put pressure on the government of Zimbabwe. It is also time for the international community to speak up. (Time expired)

Mr Martin Ferguson (Batman) (4.14 pm)—I welcome the opportunity to debate what I consider an important issue, and I acknowledge the role of the member of Cook in bringing this issue before the parliament. It is exceptionally important that the Australian parliament expresses its view about the shocking and critical developments occurring in Zimbabwe. Some of the latest developments referred to today concern the parliamentary Amnesty group’s concerns about the representation of Alec Muchadehama and Andrew Makoni from the law society. The two arrested lawyers evidently endured critical conditions and had their personal liberty compromised. Efforts were appropriately made to represent the two lawyers, but it is alleged that they were met with strong police defiance and intimidation. I hope that today’s report by the member for Denison about their release is correct. The actions of the police, as far as I am concerned, directly violated constitutional rights, including protection of the law, presumption of innocence and legal representation.

More importantly, it is appropriate that we consider the general situation in Zimbabwe today. It is saddening to think that this is typical of the precarious situation in Zimbabwe, a nation that would have a great opportunity if it could only get some decent leadership and a strong democracy. The human rights atrocities committed in Zimbabwe have long been reported by the United Nations. It is alarming to consider what conditions must be like for people in Zimbabwe, when the life expectancy of the average woman has decreased from 63 to 34 years in just 10 years. Inflation is currently at 1,000 per cent and is higher than that of any other country in the world. Agricultural production has declined significantly since white farmers were forcibly removed from farms in 2000. The country is now experiencing dire
food shortages that aid agencies are finding impossible to address.

I think I express the view of all members of the House when I say that Zimbabwe is an international disgrace. The Australian government has appropriately tried to engage the Zimbabwean President, Mr Mugabe, and, unfortunately, has consistently met with a brick wall. In 2003, President Mugabe withdrew Zimbabwe from the Commonwealth in response to the Commonwealth’s expressions of concern for the welfare of the people of Zimbabwe. I note that, since 1997, the International Monetary Fund, the Bush administration and the Blair government have all withdrawn funding to Zimbabwe. Funding arrangements have become untenable due to the nation’s massive human rights atrocities and the Zimbabwean government’s refusal to address its alleged humanitarian violations.

It is hard to believe that this once proud nation has crumbled and disintegrated into upheaval and chaos in just over two decades. I visited Zimbabwe in the early nineties when I had the privilege, as part of the CHOGM process, to chair a meeting of the Commonwealth council of trade unions which was about lifting sanctions on South Africa. It was a meeting in which we celebrated the success of finally making progress and ending apartheid in South Africa. That was the first and only occasion on which I have had the opportunity to visit Zimbabwe. Then, I found a nation that had opportunity. But we saw the first tendencies towards the problems which Zimbabwe now confronts across the length and breadth of the nation.

It is interesting to note that in 1979 the Zimbabwe African National Union led the nation to independence. Unfortunately, since that time, as we know today, Robert Mugabe, who was once feted and respected in the international community, has held continuous rule as Prime Minister and then as President. That is the unfortunate situation—that he was once feted and respected. Now, Mugabe rules over a violent and bloody regime, and the people are living in inhuman conditions. I can only hope that the debate today further focuses both the Australian community and the international community on our concerns about what is occurring in Zimbabwe.

We look to the leadership of the Commonwealth and the Australian government to make further progress in trying to improve the situation of ordinary people in Zimbabwe. It is a nation with a future—provided we can get a change of government, which has to be led by the people but which may need international support and encouragement to achieve that on the ground. I commend the motion to the House. It is something that deserves the support of all of the Australian people, not just the parliament.

Mr HARDGRAVE (Moreton) (4.19 pm)—I agree completely with the member for Batman. The member for Cook is a very fine contributor to this place and that is evident from the motion before us today. It is really important that this discussion takes place and that we propose further motions along these lines. That is not because we perhaps live in a bit of a whitebread, white-skinned comfort zone here in Australia but because we value, as one of the world’s longest continuous democracies, what a democracy actually represents. A democracy is where the people are in charge—not those who have the biggest guns, the biggest voices or control of the infrastructure. A democracy is where the people are trusted with an opportunity to participate, and Zimbabwe simply is not that.

I am a member whose electorate has been one of the great beneficiaries of the thuggish and dreadful regime that Mugabe presides over. In south-east Queensland, 97 per cent
of the Muslims who have come out of Southern Africa—that is, Zimbabwe, Malawi and South Africa—have come as business migrants. So, in my area, there are a lot of people who are opening businesses and bringing their professional skills. They are lawyers, accountants, doctors, dentists—you name it; they do it. And they are employing people and investing in Australia. I sit down and talk to people at places like the Kuraby Mosque and the Algester Mosque, and they are so sad about what the remnants of their families in Zimbabwe are telling them. If you drive around my electorate, you will see personalised registration plates like ZIM80, which spells out ‘ZIMBO’. This is a really obvious footprint in my local community.

In 1999, 2000 and 2001 I was honoured to represent members in this place as a member of the international executive of the Commonwealth Parliamentary Association. Too much of our time was spent talking about what to do about Zimbabwe. That was not because we were against Mugabe—Mugabe would put out a press release and the state media would say that the Australian parliament was picking on him—it was actually about the displacement of good order and good prospects for Africa that Zimbabwe represented.

I went to Kenya when I was a minister, in early 2003. I went to the Kakuma refugee camp. On the way through, I spoke to a fellow who was then the Minister for Home Affairs in Kenya, Moody Awori. He had just been elected. I think he is now the Vice-President of Kenya, although I do not pretend to be following Kenyan affairs as closely as some others. The reason I speak about Minister Awori is that his government had just been elected, and it was through the ballot box that they changed government. So Kenya is the exact opposite, if you like, of Zimbabwe, and shows that governments can come and go at the will of the people. I think Australia needs to be more than just a very strong voice, as it is, against this thuggish, bloodthirsty, despicable regime—I cannot find words parliamentary and polite enough to fully express my view, but you will make sure I do not use others, Mr Deputy Speaker. It is important that Australia also discriminates in favour of countries that are doing the right thing by their people and that are on the frontiers of other countries where there are great injustices occurring.

In my contribution to this debate I want to put a hand up and say that Kenya as a country needs to be recognised as a regime that has been prepared—as Taiwan has been, among the Chinese communities of the world—to change its government through the ballot box. Kenya is also carrying so much of the refugee load that has come from the displacement out of Sudan, Somalia, Ethiopia, Eritrea, Rwanda and all those countries that are now becoming the source of so much migration to Australia. And Zimbabwe continues to languish in this awful set of circumstances. I think the member for Batman mentioned the figure of 1,000 per cent inflation. The Reserve Bank acknowledges, apparently, that there is 3,700 per cent inflation per annum in Zimbabwe. The figure is enormously mind-boggling. Unemployment is at 80 per cent. What does this regime actually deliver, other than death and despair? With the enormous percentage—20, 30 per cent or more—of Zimbabwe’s population suffering from HIV-AIDS it is an example of all that could go further wrong in Africa.

This parliament should not debate this just once. We should keep it up and do it with a bit of light and shade—not just see it as a black-and-white problem. I was talking earlier about the Muslims from an Indian ethnic background. They could have been the energy of the modern Zimbabwe; they have instead come to be the energy of the modern
Australia. Mugabe stands condemned—there is no doubt about that—but we as a parliament, the sixth oldest continuous democracy, have a role to play in advocating for all those voiceless people who do not have a chance to speak for themselves in their own country.

**Mr GARRETT** (Kingsford Smith) (4.24 pm)—I support the motion brought to the House by the member for Cook. I acknowledge his significant contribution in the life of this parliament in bringing forward motions which draw to the attention of the House some of the more direct and challenging human rights and political abuses that are happening in the international community. In this case the motion is about the ongoing activities of the regime in Zimbabwe. I want specifically to commend the terms of the motion because it identifies two of the key features that, regrettably, we always see in a regime which is intent on holding onto power at all costs and which seeks to use the power of the state to silence dissent and to restrict people in that country from expressing themselves and from participating fully in the political process.

The first of those features is that the attention of the regime is directed towards those who express themselves as activists. ‘Activist’ is a word that has sometimes had a connotation in this country of something to be looked down upon, but people who are prepared to be active and to get out and peacefully express within their community—in this case, in their country—their desire to see democracy and freedom are the people who continue to provide the lifeblood of democracy, particularly where it is imperilled. Secondly, the attention of the regime is directed towards the churches, who continue to stand up and speak about the rights of those who are downtrodden, in this case by the Mugabe regime.

So I want to join with other parliamentary colleagues in supporting this motion, but I note additionally that we are not committing the government here to taking any additional actions on the diplomatic front. Given the seriousness of the issue, as has been eloquently described by previous members, I hope that the government will take note of this motion and consider whether there is a possibility for additional diplomatic action as a consequence of our debating this matter in the House today.

The situation continues to be of grave concern. The domestic and international pressure for democratic reform is intensifying and we have seen a number of emergency discussions, including at the Southern African Development Community summit in March of this year, where Thabo Mbeki was to mediate crisis talks and bring the Movement for Democratic Change, the opposition party in Zimbabwe, together with ZANU-PF to try and start reaching some accommodation on how democracy may be begun to be established in Zimbabwe. But these negotiations came on the back of a rapid decline in human rights. There has been a significant clamping-down on freedom of association, freedom of assembly and freedom of expression. Amnesty and others have noticed extraordinary evidence of government intimidation and arbitrary arrest of opposition activists, including the arrest of activists on 11 March 2007, and the torture and beating of Gift Tandare, the Youth Chair of the National Constitutional Assembly, which is something we mark with great regret.

The South African Nobel laureate Desmond Tutu has spoken out quite strongly about the need for there to be, on the African continent, a more robust condemnation, such as we are seeing in the House here in Australia, of human rights violations. I acknowledge the contribution that Archbishop Tutu continues to make, particularly in affairs
dealing with human rights in southern Africa and on the whole African continent.

The latest report, from the Australian of 18 June, says that talks between Mugabe’s ZANU-PF and the MDC have resulted in very little that is positive. I think we are left with no option other than, in addition to debating and condemning the Mugabe regime here in the House, urging the Australian government to intensify its efforts. I recognise that there was a package of, I think, some $12 million that was directed towards assisting non-government organisations and others in Zimbabwe, and that is acknowledged by Labor. There have been calls for Mugabe to be taken to the International Criminal Court, and a number of international organisations, including the Heads of Agencies Contact Group on 15 June, and other countries, have warned of the economic paralysis that is likely to befall the people of Zimbabwe. They will continue to suffer unless we take real action. This motion is supported.

The DEPUTY SPEAKER (Mr Haase)—Order! The time allocated for this debate has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

EVIDENCE AMENDMENT (JOURNALISTS’ PRIVILEGE) BILL 2007
FAMILY ASSISTANCE LEGISLATION AMENDMENT (CHILD CARE MANAGEMENT SYSTEM AND OTHER MEASURES) BILL 2007
ABORIGINAL LAND RIGHTS (NORTHERN TERRITORY) AMENDMENT (TOWNSHIP LEASING) BILL 2007

HIGHER EDUCATION LEGISLATION AMENDMENT (2007 BUDGET MEASURES) BILL 2007
FORESTRY MARKETING AND RESEARCH AND DEVELOPMENT SERVICES BILL 2007
FORESTRY MARKETING AND RESEARCH AND DEVELOPMENT SERVICES (TRANSITIONAL AND CONSEQUENTIAL PROVISIONS) BILL 2007
FINANCIAL SECTOR LEGISLATION AMENDMENT (RESTRUCTURES) BILL 2007

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

GRIEVANCE DEBATE
Question proposed:
That grievances be noted.

Education
Ms ROXON (Gellibrand) (4.30 pm)—In speaking in the grievance debate today, I want to take the opportunity to talk about an issue that is very important to my electorate of Gellibrand, and that is education and the importance of investing in education. I have some great schools in my electorate, and I know that there are very many families who are very happy with the strong public school presence in my electorate. We also have some great Catholic schools, and we are a little bit light on for any independent schools. There is one school, Westbourne, which has its junior school in my electorate but its secondary school outside my electorate—although, as in other electorates, many students do travel outside the electorate for their schooling. We have Victoria University, which provides top-class TAFE and university education. It is one of the few universities that still cover both those sectors within our community.
But we still face a huge challenge within my electorate. We have very high rates of poverty and we have large numbers of new arrivals coming—at the moment mostly from the Horn of Africa, but we have over many years been the first port of call for many of the new communities. They often have real difficulties in learning the language and adjusting to the education system in a new country. We also have lots of young families moving to my electorate, where housing is still slightly more affordable than in some other parts of Melbourne—although that is fast changing as the inner-city nature of my electorate is becoming more and more apparent to those canny house buyers, and the prices are going up in many areas.

The reason I want to particularly raise this issue and give that little bit of background is that we have, for example in the City of Maribyrnong, unemployment which is currently still at 8.3 per cent—far higher than the national average. Whilst it is good news generally across the community if the unemployment rate is going down, for those of us who live in areas which represent a much higher proportion of those who have not shared in the benefits of the country’s booming economy, we need to make sure we are keeping these issues on the agenda. At the 2001 census, 12.7 per cent of children in my electorate were living in poverty. This is a pretty devastating figure and, if we do not address investing in our young children and supporting families who are bringing up children, we will never be able to get them out of that cycle of disadvantage. The suburb of Braybrook in my electorate has been identified as one of the 10 most disadvantaged suburbs in Australia.

Looking at the educational levels in my electorate, 55 per cent of people who are 15 and above have no trade or tertiary qualification, and 33 per cent of people who are of working age have no qualification above year 10. Many of these people are contributing successfully within our community, of course, but we know that the pressures are becoming greater and greater, and for young people who are seeking to get into the workforce, if they do not have a trade or tertiary qualification—or if they do not have any qualifications or support beyond year 10—it is becoming increasingly difficult for them to be employed. We need to look at the ways we are investing in our education system to keep those children engaged, to give them support and to make sure that they—similarly to those living in many other electorates across Melbourne—are given the opportunity to go on to further education if that is what they are interested in doing.

Unfortunately, the Howard government has continually failed to invest in these sorts of issues. It has continually failed to see support for education as one of the fundamental weapons in tackling disadvantage. The government has left Australia lagging behind 17 other OECD countries in investment in education, so we need a concerted effort and a commitment to education to improve retention rates in high school, to provide opportunities for lifelong learning, and to help lift productivity for the entire community. I particularly want to speak about this, because Labor’s plans for an education revolution will improve education and employment opportunities for my constituents and address the critical economic issues of productivity and the skills crisis. In short, it is going to help individuals in my electorate but it is also going to help the nation. Each and every step in Labor’s plan for an education revolution is going to benefit schools and students in my electorate.

Labor’s plan starts at the beginning of the age category, where we have made a commitment to provide early childhood education to give all four-year-olds access to 15 hours per week of early education for 40
weeks a year. We know that this sort of education lays the foundations for future learning, we know that children at that age learn very well through play and we know that this is a way to have children school-ready when they start their more formal education.

The Howard government has neglected this crucial stage in education and development. Australia spends just 0.1 per cent of GDP on early childhood education, while the OECD average is nearly five times that amount. This is a critical issue in my electorate because it will not only provide welcome support for preschool; there are also many families who are seeking formal child care for their children so that they can receive the stimulus, ability and support to learn through play. In the city of Maribyrnong alone, there are 700 families on the council waiting list, looking for child care. In addition to supporting extra preschool places for children, our plans to build 260 new childcare centres co-located with schools in areas of need will also help to ease this burden. We are going to benefit in my electorate—as across the country—by encouraging young Australians to study and teach maths and science, and we will also benefit from Labor’s commitments around the national curriculum.

Another issue that I particularly want to focus on is our commitment to local schools working together. Labor has committed $62.5 million for 25 pilot projects that encourage government, independent and Catholic schools to share important educational facilities like science and language laboratories. I would like to put on the record my view that a number of the Catholic and public schools in my electorate could benefit very much from this policy, and I hope that, if we are elected, my electorate will be considered for one of these pilot programs. The Caroline Chisholm Catholic College and the Braybrook Secondary College are within walking distance of each other, as are St Paul’s Catholic College and Bayside Secondary College, which are both in Altona North. All four of those schools could benefit significantly if they were able to invest in new facilities that could be shared. I am sure that all four have working relationships that would enable that to be done in a way that serves their common goals and that it would be very successful for the students attending those schools. We already have examples of many of our schools working together locally. For example, two local primary schools are pooling their resources to establish a kitchen garden program. The schools at Altona Meadows and Altona Green are sharing knowledge, volunteers and teaching resources to set up this joint initiative, with funding from the Victorian state government. But, obviously, for this to continue to be successful there will need to be cooperation between the schools and the support of the community and the government.

Labor’s commitment to a healthy kids check for all children starting primary school will ensure that, after having had support during those additional preschool hours—learning through play and development—a child’s health and development will be checked to identify whether there is anything that might hold up their learning when they start school, so that parents and families will be able to get some assistance to tackle any problems which, if not identified early, can cause learning problems later in life.

Labor is also committed to a national action plan for literacy and numeracy—again, a particularly important strategy for my electorate. Many people across the country struggle with literacy and numeracy. It is an enormous factor for young people leaving school early or not achieving to the levels that they could. Labor’s strategy is particularly important for the many children in my electorate who come from the refugee communities and for whom becoming literate in
another language—often without any formal education in their countries of origin, which may have been war torn, or in refugee camps and elsewhere—is difficult. We need to make sure that there is additional assistance given to schools like those in my region to assist with the literacy and numeracy projects that would make a big difference to these kids.

I want to conclude by speaking about Labor’s commitment to establish trade training centres in all secondary schools around the country. This initiative will allow schools to provide state-of-the-art workshops, labs and trade training facilities. Schools in my electorate—Williamstown High School, Caroline Chisholm Catholic College, Braybrook Secondary College, Bayside Secondary College, Footscray City, St Paul’s Secondary College, Maribyrnong Secondary, Westbourne, Mount St Joseph’s Girls and Gilmore Girls College—all will stand to benefit from this commitment made by Labor. I think it will be of great benefit and will help to keep many more students in school. It will enable students to study the range of courses that they are interested in. It will give them the benefit of a full secondary school education and, hopefully, will improve their opportunities to become gainfully employed or to go on to further education when they complete their secondary education. (Time expired)

Economy

Mr HARTSUYKER (Cowper) (4.40 pm)—I grieve today for the sad lack of economic skills on the opposition benches and the shocking record of their colleagues in the governments of the states and territories. There are many uncertainties in politics, particularly in an election year, but there are a few things of which we can be certain. One of those certainties is that the performance of the economy underpins all else. If the economy is not performing, if the economy is not being properly managed, then you will not have the capacity to make progress in any other area of government activity, be it infrastructure, education, health or the environment. ‘Yes, it’s the economy, stupid,’ as Bill Clinton’s workers in his successful 1992 campaign were constantly reminded. So let us take stock of the Australian economy.

I could mention that more than 2.1 million jobs have been created since 1996—more than 1.2 million of those full time. I could mention the lowest unemployment rate for nearly 33 years. I could also mention the increase of 20.8 per cent in real wages under the coalition government. These are all facts which the members opposite like to try to ignore. Those opposite like to suggest that there is something dubious about the figures because they come from this side of the chamber. So, instead, let us turn to a recent speech by the Governor of the Reserve Bank of Australia, Glenn Stevens, about our economic prospects. This is what he told the Queensland University of Technology Business Leaders Forum:

There is, at the moment, moreover, a high degree of confidence about the future, with share prices near record highs, property markets firming again and borrowing proceeding apace. He also said:

Australian households overall appear to have plenty of disposable income and the confidence to spend it. Business profits are in good shape, and firms will be well placed to continue their high levels of investment as needed. Finally, he also said—and this is a very important point:

Compared with what we expected a year ago, then, growth has turned out to be stronger, employment higher, but underlying inflation a little lower.

So we have had stronger growth, higher employment and lower inflation—a very good performance. ‘Not a bad position to be in,’ you might think. It is a complimentary as-
assessment of the coalition government’s economic management.

So let us look at any evidence of Labor’s economic skills. We have to go some way back at a federal level, of course, but I am sure we all remember the days of 10.9 per cent unemployment. I am sure we all remember the reduction of 1.8 per cent in real wages under 13 years of Labor, compared with the increase of 20.8 per cent during the coalition’s current term. And let us not forget that Labor record—which, no doubt, was seen as a triumph for trade unionism, and medals would have been distributed—in the December quarter of 1992, when there were 104.6 working days lost per 1,000 employees, compared to just 0.8 in the March 2007 quarter. ‘Yes, it’s the economy, stupid,’—and Labor could not handle it.

Is there more recent evidence? Have they raised their game since 1996? After all, Labor are in control of the states and territories. Have they used their allegedly superior economic skills to drive state economies to ever greater heights? Well, sadly not. Bearing in mind that their federal colleagues had the economic skill and prudence to leave us with a $96 billion debt—which this coalition government has cleared—how are the budgets of the states and territories looking? Their revenue before GST has increased by some 7.1 per cent a year since 2000-01. In the coming financial year, GST revenue is estimated to be $41.9 billion, including a windfall of just over $3 billion from taxation reform which the states were, and are, reluctant to carry out. So what do we find? In comparison to the coalition government, which has cleared the debt Labor left it and moved into surplus, the Labor-governed states and territories are forecasting for 2006-07 a fiscal deficit of some $4.9 billion and a cash deficit of $7.9 billion—their borrowing to finance their deficits over the period to 2009-10 being a cool $58 billion.

So where is it all going? Not to my constituents, who cannot get decent public dental care; not to schools in my electorate, who have to turn to the coalition government for decent toilets, sunshades and play areas; not to roads in my electorate. The New South Wales government said in 1996 that it would complete the much-needed Bonville deviation in 2003. After a mounting death toll, an intensive campaign and the offer of funding for safety works from the coalition government, work finally started toward the end of last year. They say that they are spending their money on infrastructure. They were not spending their money on the Bonville deviation until recently. They were shamed into it.

The New South Wales government clearly have not been spending their money on our ports. Otherwise, we would not be seeing so many cargo ships waiting off our coast. The sight of the *Pasha Bulker* stranded on Nobbys Beach is a monument to the mismanagement of Labor in government. If they had been spending on infrastructure, we would not have seen Korean steelmakers threatening to pull huge contracts for our coal. Let us look at the answer. Their non-GST revenue has been increasing by some 7.1 per cent a year. Employee expenses, accounting for some 42 per cent of state budgets, are growing by 7.5 per cent a year. Growth in other revenue has slowed to 2.7 per cent but expenses are also forecast to grow at 7.5 per cent. They have, in short, got themselves into a hole. That is why they are racking up debts in a belated attempt to do something about infrastructure.

I am grateful to the Minister for Health and Ageing, the member for Warringah, for pointing out earlier this year that over the last five years there has been an 11 per cent increase in front-line education and hospital staff and a 30 per cent increase in administrators. I mentioned employee expenses growing at 7.5 per cent a year. The member for
Warringah also pointed out that the New South Wales government pays masters and engineers on Sydney ferries $95,000 a year, compared with $68,000 in private ferry companies. For deckhands, the figures are $68,000 compared to $37,000 in the private sector. Meanwhile, between 2001 and 2006, costs on the ferries were rising at more than three times the rate of revenue, even though maintenance spending fell by 23 per cent from 2003. I am sure we are all looking forward to Mr lemma’s New South Wales budget tomorrow. I can only hope that he offers the hard-pressed commuters of Sydney more than he has offered my constituents in the past, condemning them to driving on the dangerous and substandard Pacific Highway in my area. If anyone wants to know what it is like to be governed by a bunch of economic illiterates in hock to the trade unions then they should just look at the states and territories in general. They have had increased revenue, more GST, GST windfalls and a favourable economic climate and what have they done? They have made very belated attempts recently to improve their infrastructure. It is the economic management of the madhouse. If anyone needed evidence that the economy does not run itself then they should just look at the performance of Labor in the states: they have turned gold into trash. And that is what we can expect if the members opposite are to take the treasury bench. They have opposed tax reforms that have led to the current pleasing state of affairs in which only 40 per cent of Australian households are paying any net tax. It is hard to see that outcome as a fundamental injustice. As we approach ‘fundamental injustice day’—the Treasurer’s words—we should perhaps reflect on the fact that Labor opposed the very legislation that has delivered the prosperity we currently enjoy. They opposed workplace reforms that have delivered some 358,000 new jobs since March last year. If you recall, they predicted mass sackings. They opposed the workplace reforms in the face of the evidence that greater flexibility helps those groups that are normally disadvantaged in the labour market.

They say that they are all for productivity but they want to rip up AWAs. We saw the report in today’s *Australian* about construction company John Holland saying that AWAs—which the Leader of the Opposition wants to rip up—are essential to improving productivity. The company says that the reforms have been of great significance to the construction sector and estimates a productivity dividend of $8.5 billion, with every reason to expect another 10 per cent or 20 per cent over the next five years. Labor are proposing to abolish the Building and Construction Commission. How is this going to improve productivity? We are going to see ‘risk of Rudd’ premiums being factored into construction costs. Labor say that they want faster broadband. And what do they propose? They propose spending taxpayers’ funds on services that would be provided by the commercial market. They say that they are on the side of the working man and woman, but they have tried to stop us delivering more jobs, better wages, lower interest rates and a tax regime which means that only 40 per cent of families pay any net tax.

Labor talk the talk but they do not walk the walk. They are not serious about productivity growth. The Leader of the Opposition has in fact demonstrated quite vividly in the media that he does not understand productivity growth. By their actions and by their votes in this parliament they have proven that they are not for taking this country forward but are for taking this country back. Improved productivity, higher standards of living and responsible economic manage-
Passport Security

Mr BYRNE (Holt) (4.50 pm)—Tonight I rise to talk about a very important issue. I heard the issue of security mentioned earlier, so I thought that I would mention a security issue too: the issue of passport security. The security of passports raises issues across many different policy areas: national security, identify fraud, financial services and border security. There are over a million Australian passports issued every year. These passports are used as proof of citizenship when travelling overseas and also as a primary source of identification when opening bank accounts and replacing lost personal identity documents such as birth certificates.

Passports are a key form of identification, counting for 70 points out of the required 100 for proof of identification in financial institutions. But there is a concern about missing passports in this country. Between 1997 and 2006 there was an increase of more than 65 per cent in the number of passports reported as missing or stolen.

Ms George—That much?

Mr BYRNE—This is the government that prides itself on national security, member for Throsby. This is compared to a rise of only 24.32 per cent between 1997-98 and 2005-06 in the number of passports issued. This is a significant discrepancy between the number of passports listed as missing and stolen and the number of passports issued. Comparatively, the percentage rise in the numbers of passports listed as missing or stolen is over 2½ times the percentage rise in the number of Australian passports that have been issued.

During its time in office, the Howard government has repeatedly shown its careless and neglectful attitude, which has manifested itself in areas like passport security. The missing-in-the-mail fiasco, caused by the Howard government’s decision when it first came to office to cease sending passports out by registered mail, is but one example. In an attempt to cut costs, Mr Downer made the decision to reverse the practice of sending out passports by registered mail. His flawed judgement was that registered post was an unnecessary cost and that it would be perfectly safe to send these valuable identity documents out by normal mail. This cost-saving measure in the face of national security concerns was a farce, and questions put to the minister by the now Leader of the Opposition back in 1999 showed at that stage that there were already 988 Australian passports missing in the mail. It took nearly three years, until July 2002, for the Howard government to reintroduce measures ensuring Australian passports were distributed again via registered post.

In a somewhat belated response to the growing tide of missing passports in general, the Howard government introduced measures in the Australian Passports Act 2005 that were supported by the opposition and were aimed at curbing this tide. Whilst the reduction in the overall number of lost passports has occurred as expected, it is not as significant as it should be. Projections by the Minister for Foreign Affairs show that revenue from the measures introduced to curb numbers of lost and stolen passports is set to rise. Why would that be? The introduced measures involved an additional fee when replacing a passport—$64 if one travel document has been reported lost or stolen, $193 if two travel documents have been reported lost or stolen and $386 if three or more travel documents have been reported lost or stolen. If the government expects these measures to work, surely the revenue collected for lost or missing passports should be projected to decrease. Instead, figures provided by the minister’s office as answers to questions on no-
tice show that revenue raised from lost and stolen passports is going to rise.

On first glance that might not seem strange. The number of passports issued is estimated to rise, albeit slightly, so why should the revenue for lost or stolen passports not rise? It should not for one very important reason. The measures were designed and implemented to reduce the number of passports listed as missing or stolen; therefore, ultimately, the revenue from them should decrease over time. Obviously, you are never going to get to the point in this country where 100 per cent of passports are kept safe and are never lost or stolen, but to introduce a measure that is designed to curb this problem and then predict it will fail—and that is what these projections say—seems extraordinary. The projections are for a revenue of $1.55 million from lost and stolen passport fees in 2006-07, climbing to $1.84 million in 2010-11. Even taking into account indexation, it seems astonishing that this figure is not going down.

In the Canadian example, the 2004-05 annual report for Passport Canada indicated that over 2.7 million Canadian passports were issued in that financial year. The report also indicated that 25,000 Canadian passports were reported missing or stolen, an interesting situation when you consider that in the same year Australia issued fewer than half the number of passports as Canada, yet we had 37,616 passports reported missing or stolen—that is 12,616 more passports missing and stolen in Australia than in Canada. In percentage terms 2.98 per cent of passports issued in Australia were reported missing or stolen compared to 0.93 per cent in Canada for the financial year 2004-05. Why would that be? The implications are that missing passports relate to identity fraud, a favourite tool of terrorists. Nations around the world, including Australia, are implementing enhanced passports containing biometrics and other security measures. The introduction of these features will help to reduce the amount of travel on false passports.

Criminals, however, as it often seems, are very adroit at keeping up with sophisticated technologies. This is nowhere more apparent than on the issue of identity fraud. Reporting is varied, but, financially, identity fraud costs the country somewhere between $1 billion and $6 billion every year. It also has, as I have said before, serious implications for national security. The capacity to build fake identities is available, and reports show that many criminals are using it. A 2003 news article entitled ‘Passport to fraud’ highlighted a number of instances of identity fraud and the increasing problem it is creating for our society. The Australian Federal Police raided a Sydney house and found a number of complete identity packages, including birth certificates, tax office group certificates, Australia Post forms and templates for bank statements and council rate notices—all legal proof of identity documents. It has also discussed the availability of fake identification on websites, including foreign passports which are recognised under Australian laws as official proof of identity documents. A rudimentary search of some of these sites shows that they are still operating by hiding behind disclaimers and novelty tags. Recent newspaper reports into identity theft have described it as ‘more than simply stealing a credit card or details, and can lead to scammers applying for cards in another person’s name’. ACCC deputy chair Louise Sylvan was recently quoted as saying:

Scams are not just sent to people to extract money. In many cases, they are sent with the intention of collecting enough information to steal your identity.

In March this year in an article entitled ‘Data is heroin to criminals’ Australian Federal Police Commissioner Mick Keelty revealed that the AFP had recently dismantled an In-
ian identity crime syndicate operating in Melbourne and Sydney. This issue is so concerning that the AFP is reportedly planning to open an office in India later this year to help fight identity theft. Mr Keelty is further quoted as saying:

That data that sits on your database is as good as a kilo of heroin ... it is as good as any other commodity for an organised crime group and that’s the way you have to look at it.

Identity fraud is generally discovered when the person whose identity has been stolen realises it through financial transactions made in their name. Identity fraud by terrorist organisations is unlikely to be uncovered rapidly as there is no trigger, such as emptying of bank accounts, to alert authorities or the real holder of the identity that their identity has been stolen. That has profound ramifications. A false, fake or doctored passport is an important step in the identity fraud chain. A current passport as a primary document is worth 70 points in the hundred point prescribed verification procedure. A fake passport coupled with, for example, a forged letter from an employer can be used to reach 100 points. With 100 points bank accounts can be opened, further establishing the fake identity and increasing the available forms of ID. Current Australian passports are reportedly worth between $10,000 and $20,000 on the black market. Older style passports that will still be valid for some time are likely to become more valuable, as tampering is less likely to be identified. According to AUSTRAC, the organisation that oversees compliance with the requirements of the Financial Transaction Reports Act, passports used to open a new account are not checked against a list of passports that have been reported as missing or stolen.

A 2004 report in the Canberra Times described passports as possibly:

... al-Qaeda’s most powerful weapons. Stolen and legitimate, doctored and untouched, they have enabled Osama bin Laden’s network and other terror groups to plan and carry out attacks worldwide.

Yet here in Australia the government appears to be unconcerned that we are losing more than 30,000 of these powerful weapons every year. With APEC coming up in September and with the associated enormous number of restrictions on people’s liberty in the name of national security, one would think that the government would have a responsibility to address this issue. Given the fact that they have not and the fact that we have got 30,000 missing passports that could be used by terrorists, it is an absolute disgrace. (Time expired)

Queensland Government

Ms GAMBARO (Petrie—Assistant Minister for Immigration and Citizenship) (5.00 pm)—I am very pleased to be speaking in the grievance debate today. I want to bring to the attention of the House my concerns about the different standards of financial management evident in Australian governments, especially the situation in my home state of Queensland. The current prosperity of that state, encouraged by the policies of the Howard federal government, is being squandered through the Beattie government’s poor planning and lack of foresight. Just contrast the recent examples of financial management through the budget process. The federal government budget delivered by Treasurer Peter Costello last month not only balanced the books but also cut tax and further reduced debt. The Howard government has now paid off the staggering $96 billion debt it inherited from Labor way back in 1996. We are now putting money in the bank and we have funds for the rollout of vital road and rail infrastructure, and education programs. I refer particularly to our road funding through the AusLink 1 and AusLink 2 programs.
Unfortunately, the same cannot be said for the Queensland state government under the stewardship of Premier Peter Beattie. It pains me as a Queenslander to see the Queensland economy going in the opposite direction to that of the national economy under the federal leadership. It is absolutely appalling that Premier Beattie and his Treasurer, Anna Bligh, seem unable to balance their budget and, in fact, are slugging Queenslanders with new taxes to pay for things which the government should have been able to pay for already. The Queensland government will receive a staggering $8.38 billion in GST revenue from the federal government in the 2007-08 financial year as well as the revenue generated under its own powers, but it is still unable to balance its books.

Premier Beattie recently referred in the media to his Treasurer as ‘Bligh the Builder’. I would prefer to think of her as ‘Bligh the Blunderer’. The Beattie government is blundering. It has become the highest taxing government in Queensland’s history, with state taxes up a staggering 12 per cent in one year. In recent years Queensland has lost its long-held status as Australia’s lowest taxing state. Tasmania and South Australia now have that mantle, with Victoria not too far behind—and I see agreement from the honourable member for McEwen and Minister for Small Business and Tourism, who is sitting beside me.

By 2010, under current projections, the Queensland government will be paying back $3 billion in interest payments based on the Queensland Treasurer’s borrowings. Under the Commonwealth-State taxation arrangements, when the GST was introduced it was always expected that the majority of state government revenue would be derived from the GST and this would allow for several state taxes to be abolished. In Queensland, revenue from state taxes exceeds GST revenue, so it is clear that my fellow Queenslanders are simply paying too much tax to the Beattie government. When the GST was introduced, all state governments pledged to abolish mortgage duty. Then we waited for the pledge to translate into action—and waited and waited. Some seven years later, the Queensland Treasurer is only now trumpeting the fact that her government has now abolished this tax. Instead she should be apologising to Queenslanders. All of her state Treasurer counterparts got rid of mortgage tax in their respective states some 12 months ago, but the Queensland Treasurer has only just done so and she has received an extra 12 months worth of revenue at our expense. It is simply not good enough.

I wonder where all of this money is going. We have had several years of poor economic management, a longstanding reluctance to fund critical infrastructure, such as the Wolfden dam in particular, and record levels of borrowing by the Beattie government to pay for infrastructure that it should have built years ago. Car buyers in Queensland are the poorer, as they will have to fund a $528 million increase in our mental health spending by paying increased stamp duty on all vehicles purchased from 1 July this year. This means that stamp duty on vehicles will be raised from two per cent to three per cent for a four-cylinder car, to 3.5 per cent for a six-cylinder car and to an outrageous four per cent for a V8 vehicle. This means that a new six-cylinder Holden Commodore will cost $760 more to get on the road in Queensland from 1 July this year. That is absolutely outrageous. It totals an extra $200 million directly out of the pockets of my fellow Queenslanders.

But that is not all. The budget includes an overall 13 per cent increase in state taxes, a 25 per cent increase in transfer taxes and an absolutely whopping and incredible 12 per cent increase in payroll tax. The Minister for Small Business and Tourism, who is still at
the table, would be appalled at how small businesses, the greatest employers of people in the economy, are being slugged by a tax on employing people. I think that is absolutely outrageous. It is a blatant tax grab by an increasingly desperate Queensland government. Thanks to the Howard government, the Australian economy is the strongest that it has been for decades, and the thirst for Queensland resources has provided a boon for that state. But Queensland’s Premier and Treasurer are still unable to prudently manage their state’s economy and are making Queenslanders pay for their mistakes.

There are also substantial borrowings in the Queensland Treasurer’s budget for infrastructure and basic operations which come to some $8.5 billion. But do not worry, because the state Labor Treasurer says that her government can afford the borrowings because it is riding high on the back of the mining boom, which she expects will continue for some time. That is a really intriguing claim from her, considering that her federal Labor colleagues are keen to tell Australians at almost every opportunity that the mining boom is ending and that you cannot count on it for future prosperity. The Queensland Labor Treasurer is quite literally banking on the mining boom continuing and has borrowed billions of dollars on the strength of it. So which is it: boom or bust? The Labor Party cannot have it both ways.

The Queensland Treasurer’s federal Labor colleagues in this House are also attacking the strong economic record of the Howard government since it took office in 1996. What part of that do they not support? Do they not support the fact that we have had the lowest unemployment rate since November 1974, at just 4.2 per cent? Do they not support the fact that industrial disputation is at its lowest level since records started? Do they not support consumer sentiment being at an all-time high? Do they not support economic growth growing at 1.6 per cent in the March quarter and now being 3.8 per cent higher than it was 12 months ago? Do they not support the Australian dollar reaching 85c against the US dollar? And what about low interest rates, which are great news for the family budget?

Despite the Queensland Treasurer’s record taxing budget, services and infrastructure in Queensland remain stressed by a lack of resources. My local public hospital at Redcliffe remains in crisis—and I do not use the word ‘crisis’ lightly. On a daily basis I have constituents ringing my office about the appalling waiting list at the hospital. In some cases they have to wait up to 18 months for an operation. They are told by hospital staff: ‘Don’t bother contacting your local state member. She’s not going to do anything to help you. Contact your federal member. She will help you.’ I do not know how I can help them with the appalling hospital waiting lists that the state government is running at the moment. I hear stories, day in and day out, about these waiting lists and the capacity that they have to ruin people’s lives. The people on the Redcliffe peninsula deserve a better health system. An enormous amount of GST is going to the Queensland government. How about spending it in our hospitals to make sure that those hardworking staff members, the nurses and the doctors, have the resources and the ability to service the people of Redcliffe.

The state government is now trying to make one final grab. It wants to reduce its costs by amalgamating. I know that the people of Redcliffe will keep fighting this. They do not want their local government association taken over by the Beattie government. They have a strong council in Redcliffe and amalgamation will lead to the death of their community. They are doing everything that they can to stop the heart being taken out of their local community.
Ms GEORGE (Throsby) (5.10 pm)—I grieve today about the Howard government’s industrial relations policies and its Work Choices legislation. It is a measure of a civilised society that it requires regulation external to the workplace to provide an appropriate balance between the right of an employer to run their business and the rights of employees to fair remuneration; job security, as far as is possible; and dignity for employees in their dealings with employers. This includes the right of workers to participate collectively in the protection and advancement of their wages and conditions of employment. Many of these rights are enshrined in ILO conventions, and it is some of these rights which this government has set out to trash. Our unique system of conciliation and arbitration, dating back to the early 20th century, was established to ensure a fair balance between these two imperatives.

The principle of a civilised society was perhaps best expressed by Alfred Deakin back in 1904, when he introduced the first Conciliation and Arbitration Act. He said:

This Bill starts with the confession that it is based on a humanitarian interpretation of the principles and obligations which form the very basis of civilised society. It leaves to its opponents the creed whose God is greed, whose devil is need and whose paradise lies in the cheapest market.

It is this very system, and the foundations and principles which underpin it, that the Prime Minister has wanted to overturn throughout his political life. The only thing that has prevented the Prime Minister from achieving his vision of a deregulated labour market has been his government’s lack of control of the Senate up until now. When that changed at the last election, he was able, yet again, to pursue his real agenda through the regressive and unfair Work Choices legislation.

The Prime Minister’s agenda has been clear from the day he was elected, back in 1996. He introduced the Workplace Relations Bill 1996. Before the election, the Prime Minister said to the Australian community:

Under no circumstance will a Howard Government create a wages system that will cause the take-home pay of Australians to be cut. Under a Howard Government you cannot be worse off, but you can be better off. I give this rock solid guarantee: our policy will not cause a cut in the take-home pay of Australian workers.

He did not mean it then, just like he does not mean it now. He has never meant to properly protect workers, even under the more recent so-called fairness test. In 1996 it was only through the 170 amendments to the bill, supported by the Democrats in the Senate, that some measure of fairness was reinserted into the legislation.

I now want to turn to one specific element of the 1996 bill that shows the government’s real agenda. Prior to 1996, under legislation that was introduced by the Labor government to extend enterprise bargaining, a no-disadvantage test was put in place. This test covered the totality of an employee’s award terms and conditions to ensure that, when enterprise bargaining occurred, it did not result in an overall reduction in the terms and conditions of employment compared to those provided for in the appropriate award.

The Howard government’s 1996 bill sought to replace that no-disadvantage test with what was then called a ‘no less favourable test’. What did that really mean? The test proposed in that bill required that the terms and conditions of agreements and AWAs were not to be matched against the award but were to be ‘no less favourable’ than seven bare minimum conditions. It sounds very familiar, doesn’t it? It was not really all that different from the Work Choices minimum statutory conditions.
In 1996, the seven statutory minima were: wages at minimum rates of pay, four weeks recreation leave, 12 days of paid personal/carers leave, 52 weeks of unpaid parental leave, long service leave, equal pay for work of equal value and payment for jury service. There was no mention back in 1996, nor in the introduction of the Work Choices legislation, about the right to entitlements—overtime, penalty rates and shift loadings.

The Senate, when it considered this legislation, pointed out that the changes proposed under those seven minimum statutory conditions would expose employees, particularly vulnerable workers, to a reduction in their existing wages and conditions. The majority of the committee came to the following conclusion and I quote from the Senate committee’s report:

The majority of the Committee views these proposals with very serious concern. That is getting rid of the no disadvantage test and replacing it with seven statutory minimum conditions. It continues:

The protection of conditions underpinning agreements is one of the most important provisions available to ensure that employees are treated fairly in relation to bargaining. The Government’s proposal in this regard represents a fundamental watering down of the existing protection.

The majority of the Committee considers that there is no justification for the removal of the ‘no disadvantage test’. We consider that the proposed ‘no less favourable than statutory minima test’ is not adequate to protect employees and could very well lead to many employees, particularly those with little or no bargaining power, being worse off. Given the Prime Minister’s rock solid guarantee that no-one would be worse off under these proposals this is something which we cannot accept.

The Howard government did not get its way in 1996 because the Senate prevented it through the Democrats inserting many amendments to make the legislation more fair and just. After the last election, as we know, the Prime Minister again tried again to put his insidious laws and beliefs into practice. The Prime Minister stands accused of introducing legislative changes for which he had no mandate—the details of Work Choices which were hidden from public scrutiny before the election.

I found the following interview with Sally Neighbour on the Four Corners program in September 2005 very instructive. The Prime Minister was up to his tricks again. Sally Neighbour asked in the interview of the Prime Minister:

What’s the point of scrapping the no disadvantage test if not to allow people to be disadvantaged?

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

SALLY NEIGHBOUR: But people will be disadvantaged, won’t they?

JOHN HOWARD: No, I don’t accept that for a moment. If workplaces are more productive because it’s easier to organise your workplace by allowing the individual employer and the employees to work out themselves the best way of doing it, workers won’t be disadvantaged, they’ll be better off.

Let me repeat: the Prime Minister said specifically that people would not be disadvantaged under the initial Work Choices legislation. He was categorical, although we all knew the truth. And belatedly, only due to public pressure and an imminent election, the Howard government is now on the run about its Work Choices legislation.

As we know, the only statistics that the government ever released on Work Choices AWAs showed that more than 60 per cent of
them scrapped penalty rates and more than 50 per cent took away shiftwork loadings and overtime. Of course, the intent of the changes from the beginning was to take away the fundamental rights and entitlements that workers had bequeathed to them through the award system over many decades.

The government’s latest cosmetic change and the so-called fairness test will not fix the fundamentally flawed Work Choices regime. Fifty-five million dollars of taxpayers money has already been spent on promoting Work Choices and that did not hoodwink the public—it ended up being a publicity fiasco with many copies of the document still warehoused around the country. No new advertising campaign will convince the community otherwise. The amendments now being debated in the Senate will not stop these unfair laws continuing to hurt working families and the changes will not fix the lack of balance in our workplaces. It is for this reason that Labor remains totally opposed to the Howard government’s unfair Work Choices laws.

We know from what I have said tonight that the only things that prevented John Howard from ever realising his full IR dream of a deregulated labour market, without the underpinnings of a proper industrial safety net backed up by award conditions, was the blocking power of the Senate up until the last election. Currently, the only reason he is changing his mind is the strong voice of opposition by the Australian community. The community will not be fooled and this will continue to be a major issue in the lead up to the federal election.

Road Accidents

Mr JOHNSON (Ryan) (5.20 pm)—Today, I want to speak on a subject that I have become increasingly passionate about and that is the road toll in our nation. I grieve today for the family of Alan Ross, aged 25, who had a driving accident over the weekend that killed his son and seven-month-old baby. Police found marijuana and bourbon in the wreckage of his car. I grieve for him, his family and his wife and for all those Australians who have had a loved one killed in an accident this year or in previous years.

The time has come in our country for all levels of government and all of us holding positions of influence in the community to stand up and be counted and tackle this horrendous road toll figure that seems to continue to increase every year. I spoke about this in the parliament on 28 May this year. I referred to the fact that 1,605 Australian lives were lost on our roads in 2006, of which 337 were Queenslanders.

I draw to the parliament’s attention today the fact that the number of road fatalities to date this year in Queensland is 173. That represents some 33 more Australians killed than at this time last year. If this trend continues, by 31 December 2007 there will be some 450 fatalities in Queensland alone. I think the time has come for all of us to address this. We can do something about it. I call on all Australians who might be listening, if they have any ideas or thoughts about how we can reduce this figure, to get in touch with their local member. As the federal member for the Queensland seat of Ryan, I encourage all Queenslanders, when you have a really serious issue, to contact your Queensland federal member.

Last Christmas, the western suburbs of Brisbane experienced a tragedy in which two young Australians were killed in a terrible fatality that devastated their families and the community. I want to compare the figures for previous years because they are very insightful. As I said, in 2006, the Queensland road fatality figure was the worst in 10 years, with 337 deaths; in 2005, there were 328 fatalities; in 2004, there were 311; in 2003, there were 310; in 2002, there were 322; in 2001,
324 Queenslanders lost their lives; and, in 2000, 317 Australians were tragically killed on Queensland roads.

The national road fatality figure in 2006 was 1,605 Australian lives lost. Each year in Australia about 300 young men and 80 young women under the age of 25 die in car crashes. That means that in any given year Australians aged between 18 and 24 are twice as likely as drivers in any other age group to die in road accidents. Per kilometre driven, the death rate of drivers aged under 25 is more than four times that of drivers aged between 25 and 54. I was going to speak in this grievance debate today on another topic of interest to me but, when I read on the front page of the weekend *Courier-Mail* the story that drew the attention of Queenslanders to this horrendous accident which claimed the children of Alan Ross, I changed my mind and decided to speak about this topic. I do so as a member of this federal parliament and also as a new father.

Most us in this parliament are parents or grandparents. Many of us are uncles and aunties. Certainly many of us are brothers and sisters. I try to imagine the personal impact and emotional trauma which one would confront if a very close family member were killed in an accident, particularly an accident which could have been prevented. I cannot imagine the immense pain and suffering that mums and dads would experience and have to confront if they were told they had just lost a son or daughter.

My son, Ryan Andrew Johnson, is going to turn one year old on Friday, 22 June 2007. Of course I love my son with every fibre and ounce of my being. To contemplate, just for a moment, the possibility that my son, as a teenager, could lose his life through negligent driving or holding a mobile phone in his hand, or perhaps while smoking in his vehicle—of course I hope he will not smoke—is unimaginable for me. I cannot imagine the trauma that my wife and I would go through if my son were to be the victim of an accident and lose his life because a young driver in another vehicle was perhaps intoxicated or unable to concentrate, and the consequences of his action or inaction were to take my son’s life. I want to grieve today as a parent, more than anything else. I grieve as a young father for all those fathers who have lost a son or daughter.

I say to the government of this country, to state governments, to local and community leaders and to mums and dads of teenagers or young adolescents, particularly those who might be about to get their licence, that getting to your next event five minutes late is no big deal. Please slow down. Please drive with care. I am sure that, if we were totally frank and candid, all of us would say that we have pressed the pedal a little too quickly on more occasions than we would like to confess. Perhaps we have been distracted by a mobile phone, by a cigarette or by hearing the ABC news. Whatever the cause, I implore all those who might be listening to me and my parliamentary colleagues to really try to raise this issue to a level beyond where it is now. The culture of drink driving and binge drinking among our young people is a particular problem in our country. We have to address this problem.

I commend the Queensland government for its initiative in encouraging young drivers to drive appropriate vehicles. I know legislation has been passed to ban certain vehicles being driven by young people where the power of those vehicles is completely inappropriate. I think the Queensland legislation is good, but it is not as good as that in Victoria and New South Wales which specifies the cars which can be driven by youngsters as opposed to the power based option in the Queensland legislation.
I am sure that all members of the parliament from all parties and of all political colours would support me in the thrust of what I am saying today. I encourage all Australians to contact their local federal member to say, ‘Let’s put this front and centre in the political debate.’ That we lose hundreds of lives each year is a tragedy. That hundreds of lives are lost each year unnecessarily is a shame for all of us. (Time expired)

**Dental Health**

Ms LIVERMORE (Capricornia) (5.30 pm)—I wish to take this opportunity to bring to the attention of the House the continuing decline in dental care in Australia and in particular the pain inflicted on the people of Central Queensland by the continued inaction of the Howard government on such a basic community service as dental health. I was talking to an older constituent of mine in Rockhampton a couple of weeks ago and he was lamenting the fact that, in his view, we had better dental services in this country 50 years ago. Whilst I was not around 50 years ago, I suspect that this man might be right. The Howard government can talk about spending millions on this and millions on that, but it is clearly missing the mark if the ordinary men and women of Central Queensland are unable to eat a proper meal because of the neglected condition of their teeth. I see this as yet another example of the growing divide between the people living in our capital cities and those of us who have been abandoned by this government because we live in regional Australia.

The size of the problem this government is going to leave the next government is so great as to be almost incomprehensible in a country as prosperous as ours. It is a scandal. There are 650,000 people on waiting lists for public dental care, with an average waiting time of 27 months. Rural figures are not known, but rural incomes are, on average, lower than those in the major cities, and 30 per cent of the population lives in rural Australia. Lack of widespread access to fluoridated water in regional Australia also suggests that the prevalence of tooth decay will be higher in the bush. This means that rural people are likely to be over-represented on this 650,000-person waiting list.

This problem is exacerbated for regional Australia by the distribution of dentists through the country. Currently there are only 17 dentists per 100,000 people in much of rural Australia, compared with 55 per 100,000 in our major cities. I despair that, in Australia, a country which prides itself on its high standard of living and which is currently enjoying the fruits of the resources boom, we have the second worst oral health of all OECD countries.

And what has the Howard government said it will do about this? In the 2007-08 budget, a new dental school was announced for Charles Sturt University to train 30 additional dentists. But it will be at least six years before the first dentists graduate from the new Charles Sturt dental school. Whilst everyone would support this development, I have to ask: is it enough? Obviously, it is not. The National Rural Health Alliance proposes an additional 90 new places a year in schools of dentistry, on top of Charles Sturt’s 30 new places. An obvious reason for their concern is the fact that over one-third of practising dentists in Australia are over 50 years of age, and the demand for dental care is expected to grow 15 per cent by 2010.

The Howard government has very effectively clipped the wings of the tooth fairy, and the only way for us to go now is to import, in ever-increasing numbers, dentists from overseas, who will, of course, be joining the ever-increasing numbers of foreign-trained doctors we now see practising in Australia. Surely, with all its wealth, Austra-
lia can stand on its own two feet and train sufficient dentists here to meet the needs of our people without poaching those trained overseas in countries that often have an even greater need than ours.

What this government needs to do is listen to how its policy failures are impacting on the lives of ordinary men and women and their children. I saw a good example of this in the Sunday Telegraph of 17 June:

A team of dentists, appalled by the state of NSW residents’ teeth, is offering free treatment days for the most needy.

Twenty benevolent dentists delivered care to more than 200 children and adults, with support staff also working for free.

Dr David Digges, a private practice dentist at Bellevue Hill, set up the Dental Rescue Squad and recruited colleagues to help.

“I knew something should be done because of the desperate state of young people’s teeth,” he said.

“It troubles me greatly and makes me sad that in a caring, democratic and just society so many people have to suffer and not be able to get into the [health] system.”

I want to take this opportunity to congratulate Dr Digges and his team on their compassion and their efforts to help those people who have been abandoned by the Howard government.

My office is receiving complaints from constituents on almost a daily basis about the problems they are having in accessing affordable dental care. Recently, one of my constituents, Mr Colin Harder, contacted my office. Mr Harder is an elderly pensioner who had been kept waiting on the public list for over 2½ years for a couple of extractions. Mr Harder was advised that it could take another two years for him to receive attention for his teeth. Unable to put up with the pain, and being aware of the damage these bad teeth were doing to his general health, Mr Harder went to a private dentist, who referred him to a dental surgeon. The extractions cost this pensioner over $1,000. Mr Harder had great difficulty finding the money but he felt he had no choice. He knew he must somehow find the money or put up with his worsening condition for at least another two years—not a choice any of us would like to be faced with.

On 3 April this year, I referred Mr Harder’s situation to the Minister for Health and Ageing, Tony Abbott. On 31 May, I was sent a reply by his parliamentary secretary, Senator Brett Mason. In that letter, Senator Mason states:

The majority of dental health services in Australia are provided in private practice. For many Australians, especially families, the key to accessing affordable services has been through their private health insurance ancillary cover. Commonwealth Government funding for these services is provided through the 30% rebate for private health insurance.

Senator Mason then goes on to talk about the new school of dentistry at Charles Sturt University and the millions of dollars the federal government says it is spending in this area. But where does this leave Mr Harder? Let me read to you the advice Senator Mason gives Mr Harder:

The Minister responsible for public dental services in Queensland is The Hon Stephen Robertson MP, Minister for Health, GPO Box 48, Brisbane, QLD 4001. Mr Harder may wish to contact Minister Robertson to outline the concerns he has with the public dental system in Queensland.

That was a pretty predictable flick pass from the parliamentary secretary.

What is the government’s position according to Senator Mason? Either you have not only private health cover but also private ancillary cover or if, as is the case with a great many Australians, you simply cannot...
do this then the Howard federal government is not interested in you or your health problems. And for those health problems you can blame the state government. We in the Labor Party do not accept the government’s excuse that it is all the fault of the states. The tired old blame game does not cut it when it comes to people like Mr Harder. In fact the state and territory governments have increased funding for dental health by 25 per cent over the past five years to try and compensate for the $100 million the Commonwealth axed from dental health as one of its first acts of government in 1996.

In contrast to this neglect by the Howard government, Labor will establish a Commonwealth dental program so that with the states we can be part of the solution to the current dental health crisis. As all members of this House would know from the calls and letters that they get from their constituents, it is indeed a crisis. Bad teeth are now the number one reason for hospital admissions for children under five, around one in 10 visits to GPs are attributed to dental problems and there is clear evidence that oral health is connected to diabetes, low birth weight and premature babies. Untreated gum disease has been linked to heart disease. On top of this there are 50,000 preventable hospitalisations for dental conditions each year for people who were unable to access dental treatment.

Only a few months away from the next federal election the Howard government has quickly come up with a $377 million plan to try and fix some political holes that it has created for itself through its 11 years of neglect in this area, but the cracks in that program are already showing. The health minister himself admitted to the Australian Medical Association that the plan was a failure. It was originally intended to ensure that individuals with chronic health problems could get attention for their dental issues. It turns out that only 6,500 used the scheme over the past three years. That is a drop in the ocean when you think about the 650,000 people on waiting lists at the moment who need dental treatment. The Howard government has had 11 years to show that it is serious about dental health. It is time the tooth fairy started visiting our children again, and only Labor has the policies that will provide all Australians with the affordable dental care that they need and deserve.

Economy

Mr WAKELIN (Grey) (5.39 pm)—The achievements of this government have been much lauded and, as is the case in a democracy, much criticised. But there are a few basics that we should never forget. Without strength in your economy there is no social bonus. Without strength in your economy there cannot be a reduction in the long-term unemployment, there cannot be improved roads or infrastructure of whatever description, there cannot be stronger health or education outcomes, and a nation like Australia cannot take its place in the world. There are many measures of the success of the coalition government. I take the opportunity this evening to touch on a few of them and to challenge the critics to understand that we are not talking about utopia here; we are talking about the reality of running an enterprise economy in an open democracy.

In my electorate much of the upper Spencer Gulf in particular was known as a rust belt in the early nineties, and it was dropping like the proverbial stone in economic performance and employment outcomes. At the time that the coalition came to government in June 1996 the electorate of Grey had an unemployment rate of 9.4 per cent and the upper Spencer Gulf would have had an unemployment rate of around 15 per cent across its three cities. As the many members of the executive remind us each
day at question time, the unemployment rate has halved—in my electorate of Grey it is 4.9 per cent. Pedants would say, ‘Not quite,’ but it is a very significant drop. We have never seen better road infrastructure. I now see bitumen roads where I would never have expected them. On Friday I had the privilege of turning the sod for some new rail infrastructure on the Eyre Peninsula which should serve the community and region for at least the next 25 to 30 years, and it will deliver export income to the ports.

Let us go to a few more indicators. We are much criticised for our workplace relations policy, yet we saw under Labor almost minus two per cent in real wages growth. With the coalition it is over 20 per cent. Average inflation was 5.2 per cent versus 2.5 per cent. Total exports—and my electorate is an export electorate—were $99 billion in the early nineties and now sit at near enough to $200 billion. So the performance, if you like, at the sharp end of the economic equation is there for all to see. Let us look at something like medical research. In the early nineties under Labor it was $127 million and it is now at $951 million. That is a huge increase which will sustain improved medical outcomes for those difficult issues which will always be before us. Let us look at apprentices—now that was a classic. From 152,700 apprentices in training, it is now up to 404,000.

You cannot have the social outcomes without a strong economy. That is well known. But I am at a loss to understand why our political opponents seem to think that they can convince us that they are going to be able to run this economy as well as it has been run over the last decade or so.

I go to my own state and the story of Olympic Dam. The story of Olympic Dam is one of total resistance from the Labor Party—not now, but, at the time when the hard yards had to be done, there was total opposition from not all but the majority within the Labor Party. In effect, it was not going to be developed; it was not going to be built. It was not going to be constructed. What would we have now if we had left it to the Labor Party? Given the decisions at their federal conference here a few months ago and the clearance now on uranium policy—and remembering that the indenture bill was eventually approved some 25 or so years ago in the state parliament of South Australia; one dissident Labor member allowed it to go through because he said he would never vote against another man’s right to have a job, and he showed the courage not to do that—if we had left it to the Labor Party we would have, certainly, the sandhills and we might have a few holes in the ground where the geologists had had a go. We might even have the indenture bill being debated in the state parliament, because now we are allowed to do it. But I guess we would not even have to debate it; it would be bipartisan, wouldn’t it?

But what would we have missed out on in the last 25 years? Thousands and thousands of jobs. The community of Roxby Downs would not exist. The upper Spencer Gulf would still be struggling. That is the difference. On that occasion, the courage of people within the Liberal Party to face the enemy of this development—and I make no bones about it—or the opponents, if I water it down a little, of this development, gave South Australia the lift that it needed. And I will not even talk about the State Bank of South Australia.

It is important that, whatever our beliefs, we never lose sight of the fact that we do get great benefits from a strong economy. From a strong economy comes a cleaner environment, believe it or not. We hear a lot about climate change at the moment. But I bet you that, if you asked every Australian—the overwhelming majority of Australians would
perhaps be little fairer—whether they think there is a cleaner, better, greener country to live in, they could not tell you one. We as Australians know that we have the cleanest, greenest country in the world. Not only do we have the best environment in the world but also we have the best approach to the science of and the investments in the alternative energies that we will need to have as time goes on. So, on climate change, let us be really clear: we are at the forefront of the world on this; we have the best climate management that we can have as human beings.

I conclude by saying about the issue of dental care: come on! We know who is responsible. We know the money that the states are getting from stamp duty and GST. It is just a nonsense. We are happy to help; the minister indicated that again in question time today. Come on, states—do your bit!

Question agreed to.

FOOD STANDARDS AUSTRALIA NEWZEALAND AMENDMENT BILL 2007
First Reading

Bill and explanatory memorandum presented by Mr Robb.

Bill read a first time.

Ordered that the second reading be made an order of the day for the next sitting.

SOCIAL SECURITY AMENDMENT (APPRENTICESHIP WAGE TOP-UP FOR AUSTRALIAN APPRENTICES) BILL 2007
Second Reading

Debate resumed from 14 June, on motion by Mr Robb:

That this bill be now read a second time.

upon which Mr Stephen Smith moved by way of amendment:

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

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

Ms GEORGE (Throsby) (5.50 pm)—I am pleased to be able to speak on the Social Security Amendment (Apprenticeship Wage Top-Up for Australian Apprentices) Bill 2007, which is before us this evening, and in general terms I support the measures that it contains. In terms of the budget announcement, we know that the government’s intention is to top up the wages paid to apprentices who are under 30 years of age and undertaking an apprenticeship in an area of skills shortage and that those payments will total $2,000—$1,000 for each of the first and second years of training. I think the payment also recognises the low level of apprenticeship wages in those first two years of training, estimated to average about $15,000 in the first year and $19,500 in the second year. Of course, these low wages may in fact be
one of the factors that discourage potential apprentices from undertaking training. I also see the measure as responding in some way to the high drop-out rates that have been very prevalent for skilled trades training over the last decade. The top-up wage will also be paid to part-time and school based apprentices, who will receive $500 annually and attract the full $2,000 over a longer period of time.

As indicated in the contributions made by the shadow minister and other speakers in this debate, Labor supports the proposal contained in the bill. It strikes me as very reminiscent of Labor’s previously announced policy in relation to the trade completion bonus. However, I think this initiative on its own does not compensate for the government’s continued complacency and inadequate response to the issues confronting the nation in the huge skill shortage that we see. In looking at some of the contributions to this debate and hearing the member for Hasluck late last week, I think a number of government speakers have attempted to rewrite history and tried to sheet home some blame to previous Labor governments for a decline in the rate of apprenticeship completion and apprenticeship training. Nothing could be further from the truth.

Under the Howard government, the average number of traditional trade apprenticeships has been around 120,000 a year. Under the Hawke-Keating government, it was 13 per cent higher at 137,000 on average. In fact, completion rates under this government have been of concern, falling from 64 per cent in 1998 to only 57 per cent in 2005 compared to the rate under Labor, which was more than 70 per cent when they left government.

I think a lot of the argy-bargy that goes on in this debate is wrongly directed and I for one, having been elected in 2001 to represent the constituents of Throsby, have worked very assiduously and tirelessly to address the lack of apprenticeship opportunities in my own region, the Illawarra. I am pleased that the Minister for Vocational and Further Education is in the chamber this evening for the debate.

I do want to thank the Howard government for the contribution it has made to enable the continuing success of the Illawarra apprenticeship pilot program, which I have chaired since its inception. You may not be aware, Mr Deputy Speaker Hatton, that under this program, at a minimal cost to the federal government, we have actually seen 300 young unemployed people in the Illawarra placed in an apprenticeship. We have done that by recognising that many of our small business owners were saying the reason for not taking young people into an apprenticeship was the perceived lack of productivity in the initial years of training. This scheme is based on a quite substantial subsidy by the state government which pays for six months of prevocational training for the apprentice in training so that, when the young person graduates, they come out of college with the equivalent of the first year of an apprenticeship. We were able, thanks to the good sense of the then Minister for Employment Services, Mr Brough, to get some seed funding through the Job Network providers that provided an additional financial incentive of around $1,000 for our local employers to take on a young person.

I certainly reject any kind of allegation that people on this side of the chamber dropped the ball in terms of apprenticeship training and only focused on, as is alleged in the debate, getting young people into the university system—nothing could be further from the truth. I continue to work hard to ensure that a traditional trade option can be gained by young people, particularly young
unemployed people, in the region of Illawarra.

Our latest statistics on unemployment indicate quite an appalling position for young people. Our unemployment rate for teenagers aged 15 to 19 looking for full-time employment—young kids who are disengaged but looking for full-time work—hovers at around 38 to 40 per cent. Our apprenticeship pilot is at very low cost to government. I will return to that later in terms of the huge amounts of money being expended on the Australian technical colleges in comparison to a modest commitment of around $130,000 a year, which has already placed more young people in the Illawarra into an apprenticeship than we will see graduating from the college when it is fully built at a cost of something like $19.6 million. You talk about public policy and good value for money; I hope the minister gives some further consideration to the efficacy of small-scale, local programs that come up with local answers to local problems in a way that does justice to the expenditure of taxpayers’ funds.

The government says that it is all Labor’s fault that there was a decline in apprenticeship training, but very early when I was elected I took this issue up with the then minister to get some hard data. What I found in response to my questions on notice was that the number of apprentices in training in the traditional trades in fact fell from 880 young people in the Illawarra undertaking apprenticeship training in 1996, the first year of this government, 870 in 2004. So under this government the number of young people in traditional trade training was declining when the alarm bells were ringing about the impending crisis as far as the national skills shortage problem that we have debated on many occasions in the House is concerned. Despite all the knowledge and warnings about the skills crisis, fewer people in my region were training in the traditional trades in 2004 than they were in the first year of this government. When you look at the early years of this decade, you can see that the number of apprentices in training actually fell as low as 630 from a high of 880 in the first year of the Howard government.

You cannot say that the problem of skills shortages developed overnight. The warning bells had been ringing loudly for a considerable period of time. It was not just the Labor Party saying this; it was peak employer organisations like ACCI and the BCA, reports from Senate committees that investigated this issue and of course, very profoundly, TAFE directors who were complaining at the time of the government’s lack of investment in vocational and technical education.

The government has itself to blame for being asleep at the watch and for allowing the skills crisis to grow exponentially. The government has presided over 11 long years of neglect and underinvestment. In the early years after the government was elected what did we see? We saw actual funding cuts to TAFE and then a 13 per cent investment in the three years to 2000. Beyond 2000, investment only increased by one per cent, between 2000 and 2004. This was despite all the TAFE directors constantly drawing our attention to unmet demand in the system and lots of young people being turned away from vocational education and training.

The government’s failure to adequately invest is now seeing the nation pay a very high price in the form of acute skills shortages across this country. By the government’s own admission and estimates, a shortage of more than 200,000 skilled workers is projected over the next five years. Those skills shortages actually impede the possibilities for economic growth and development at the regional level. I do not think the Howard government has a clear picture of the impact of the skills shortage at the
regional level, and I think more work needs to be done.

I am not suggesting that any magic bullet or one solution is going to solve the crisis, but it does seem to me that regional trends may be quite different from what is happening nationally or even at a state level. For example, the Illawarra’s close proximity to the booming Sydney labour market has had an impact on the ability of local firms to attract suitable candidates. In 2001, according to the census data, 17 per cent of employed people in my region commuted outside the region for work.

Regional skills shortages have a variety of underlying causes, and a multifaceted strategy is needed to address the specifics of each region and the problems they have to contend with. That is why we came up with the local apprenticeship pilot program. We saw that as a sensible way of addressing the high rates of youth unemployment while at the same time targeting those opportunities to areas of skills shortage that we knew existed in the Illawarra.

Our eminent local research body, IRIS, undertook a skills shortage study. It showed that most skilled labour in the Illawarra region is now in short supply relative to demand. And it is not just in the traditional trades. It is in areas like aged-care nurses and carers, at the top of the list, through to boilermakers, chefs, electricians, engineers, fitters and turners, nurses, truck drivers and kitchen hands. So it is not, as I say again, in the traditional trades that the skills shortages are apparent in my region but across a wide range of occupations that need to grow to service the needs of our community. In all the responses to the skills crisis I think the major investment in terms of recent initiatives has been in the Australian technical colleges program.

Mr Robb interjecting—

Ms GEORGE—The Prime Minister himself said—and I quote for the edification of the Minister for Vocational and Further Education:

The technical colleges are the centrepiece of our drive to tackle skills shortages and to revolutionise vocational education and training throughout Australia.

In my view it was the case then, as it is today, that statements like this are statements of extreme hyperbole which do not really help to advance the cause of dealing with the huge problem facing the country.

As the minister knows, these colleges will at best train a maximum of 10,000 tradespeople who will graduate between the years 2010 and 2012. That is very fine for the young people who get the opportunity to go to those colleges, but how on earth is this a solution to tackling the skills crisis that is here with us today and that is growing every day? I can hardly say to businesses in the Illawarra, ‘Wait for the 315 young people who will graduate between 2010 and 2012 to fix the skills shortages that we know exist in our region today.’ So that solution, which the Prime Minister himself describes as ‘the centrepiece of our drive to tackle skills shortages’, is merely a drop in the ocean when the estimated skilled labour shortage today is in the order of 100,000 people, growing to more than 200,000 workers over the next five years. The government’s announcement was, in my view, a political fix to a policy problem, a problem that continues to grow and that still needs to be urgently addressed by the new minister.

I talked to a number of parents at the opening of the Illawarra Australian Technical College function. Naturally enough, they were all excited at the prospect of their children’s enrolment, but nearly all I spoke to referred to the load and pressure on these students. As we know, they are supposed to
be studying for their HSC, undertaking apprenticeship training and working two days a week. For a 16- or 17-year-old, that is quite a sizeable load. I do not think any of the projections on the part of this government on the output of students from these colleges ever factored in the possibility of high drop-out and attrition rates because of that quite sizeable burden. In fact, the TAFE directors of Australia have also pointed to this problem. Their executive officer, Mr Riordan, said:

The Australian technical college model asks a great deal of 16- and 17-year-olds ... the prospect of drop-out rates is high.

When I raised the specifics of the Illawarra ATC with the minister, I was told in writing in answer to my questions that enrolments at the Illawarra ATC were to be 50 students at the start of this year. Minister, the 50 target was not reached. I understand that a number of students have since dropped out. I understand also that many of them have not been afforded an apprenticeship and employment with a local business, and it is my understanding that all their courses in the trades area are being done at the local technical college.

I ask you, Minister: if we are going to spend $19.6 million of taxpayer funds building a brand new college in Illawarra when we have perfectly reasonable facilities just down the road, is that a wise investment? If you divide $19.6 million by 315 students due to graduate over the next few years at maximum and compare that with the 300 students that have already been placed into an apprenticeship with a local business, and it is my understanding that all their courses in the trades area are being done at the local technical college.

Having said that, as I have done in earlier speeches, I again query the value of the expenditure that the government is making on a system that at best will produce 10,000 tradespeople between 2010-12 when we have got a skills crisis today in many regions like my own. My views about this issue are confirmed by people who know even better than I do what happens in the TAFE and the vocational system. Martin Riordan, the executive director of TAFE Directors Australia, said recently:

We think it’s important to reassess the Australian technical colleges because, despite the best intentions in the world, they are a failed model.

After three years and more than half a billion dollars, the Howard government’s Australian technical colleges to date have not produced one graduate, have fewer than 2,000 enrolments, and have outsourced the bulk of their training to the existing TAFE system. On the government’s own estimates, we face a shortage of more than 200,000 skilled workers over the next five years. Again, on the government’s own figures, the ATCs will only produce their first qualified tradesperson in another three years and will see only approximately 10,000 students graduate by 2010. After a decade of underinvestment, the Australian technical colleges, in my view, are simply inadequate as the major response to Australia’s skills crisis. The longer the Howard government pretends that their Australian technical colleges will make up for more than 11 years of complacency and neglect, the more damage will be done to the future prospects of our children and our economy.

In conclusion, I reiterate that I do not accept the criticisms that people on this side of the chamber are not interested in apprenticeship training. As I have pointed out, I have had a longstanding involvement in my region trying to address the problem of high levels of youth unemployment and to match the
prospects of our young unemployed people with an apprenticeship with many of the small and medium sized businesses in the Illawarra. To that extent, I want to again acknowledge the contribution and support for the maintenance of that initiative that has recently been provided—although I was quite disappointed that at the launch the senator who resides in the Illawarra was not gracious enough to make the point that the state government was contributing about four times the amount of funds from the federal government by underwriting the prevocational courses, the six months that are undertaken by these young people. It is a great pilot program. It has worked well, and I think it is producing results far more effectively than the ATCs. (Time expired)

Mrs HULL (Riverina) (6.11 pm)—Time and time again since I came into this House nine years ago, I have raised the issue of the need to recognise trades and services as occupations. I am almost starting to feel like a cracked record. It is exciting when you have been raising an issue that you can then come in and talk about the way in which it is being addressed. It is with extreme pleasure that I support the Social Security Amendment (Apprenticeship Wage Top-Up for Australian Apprentices) Bill 2007. A strong and growing economy requires skilled employees. Assistance that is provided under our initiatives will encourage many young people to consider technical and trade training to ensure that we have a skilled workforce to meet our future work needs in Australia.

For around 29 years, my family business, of which I have been a part at various stages, has employed apprentices. We saw the initiatives that were in place and were then displaced by a significant push towards ensuring that every child had a university education. Again, as I have said in this House many times, I do not dispute that there are many students who should rightly go to university but there are many students—about 70 per cent of those attending high school—who do not go on to university. These students were made to feel less adequate, less worthy, in many of our schools because they did not want to pursue a vocation in higher education or a university degree. I thought this was very sad and I have raised this on numerous occasions over many years before even coming into this House. As a parent of three very bright boys, I was continually harassed and had peer pressure applied when people asked about where my boys were going to university. Each of my boys had individually decided not to go to university but to get a trade. The view was that I was letting my children down by not forcing them to get a university education.

None of my children wanted a university education. They wanted to do a trade and, as I said, they are quite bright and were doing very well at school. I recall those days very vividly. I would have to explain why my children wanted to pursue a trade and not do a university degree, even though their marks would easily qualify them for any degree they chose.

I recall those days of fostering apprentices in our own business and encouraging young people to be apprentices. I urged them to be absolutely proud of their vocation and the work that they did and to feel worthwhile. Many of the students who did work experience with us were relegated to the back of the classroom because they had no ambition, because their ambition was only to do an apprenticeship. I thought that was extremely difficult for those young people and their families because they really did know what they wanted to do.

Time and time again, we recognised that we could no longer get essential services dealt with in our electorate—services such as building, concreting, bricklaying, carpentry,
joinery, electrical wiring, panelbeating, mechanical engineering. We were going to be confronted with a significant trades, services and skills shortage. To the government’s credit, it recognised this issue. Again, I have brought this matter to the attention of the House many times. It is my experience that many of the apprentices who started in our business went on to have their own businesses. I assisted them to set up their businesses, which were in opposition to ours, and to set up their bookkeeping systems and help them along the pathway. The benefit of having a qualification is that you become a price-maker rather than just a price-taker. I am very proud of the people who started their working lives with our family business and who moved on to find their own premises, start their own businesses and employ many other people simply because they had a qualification recognised by insurance companies when they were required look at their business and skills.

I am very proud of people who can build a house, starting with a plot of land and ending up with a fabulous home full of innovation. It never ceases to amaze me how clever some people are, such as concreters and those who work with their hands. Many children are excellent with their hands but may not be able to manage the theory. Many of our apprentices over the years could pass all of their practical tests but were unable to pass their theory tests, but that was the way they operated.

It is fabulous to see how the number of apprentices has grown under this government. I do not know how the member for Throsby had a reduction in the number of apprentices in her area. Maybe it is a problem of living close to Sydney city and the migration that occurs out of the areas around Wollongong. That is certainly not my experience. In October 2006, I announced that in the electorate of Riverina there was a 164 per cent increase in the number of apprentices since 1996 when the coalition was first elected. Figures from the National Centre for Vocational Education Research showed that as at October last year there were 3,750 apprentices in training in the Riverina electorate, up from 1,420 apprentices in March 1996. I am not quite sure why the member for Throsby has had a downturn. The figures released showed that nationally there were 403,600 Australian Apprenticeships in training in the March quarter in 2006, a 161 per cent increase since the coalition was elected in 1996. The report also showed that in the 12 months to 31 March 2006, there were significant increases in commencements of Australian Apprenticeships, including in higher level qualifications and Australian school based apprenticeships. Nationwide, commencements of Australian Apprenticeships grew to 271,100, an increase at that time of five per cent. And the significant thing is that the number of completions of Australian Apprenticeships grew to 142,600, an increase of six per cent. And there was a six per cent increase in the number of females taking up Australian Apprenticeships. I found that news sensational.

The difficulty faced in rural and regional centres was highlighted by a mum who contacted me just a few weeks ago about her son. Apprenticeship wages are very low. They are recognisably low. I grappled with this well before I was elected. I ran a taskforce when I was on Wagga Wagga City Council to see how we could change that. There are lots of times when small businesses are not able to afford higher wages. Whilst they might have one tradesman, if they employ an apprentice they might end up with half a tradesman and an apprentice because the tradesman’s work capacity is reduced by the amount of time spent teaching an apprentice. Taking on apprentices reduces the return to the small business. This lady
contacted my office a few weeks ago to say her son, who lived in a town outside Wagga Wagga, was travelling to and from Wagga Wagga daily. With the price of petrol extraordinarily high and all his travelling, his wages were so low that, although he loved what he was doing, he was considering leaving that job because his overheads and costs were so high. He could probably move to an industry in the town and become a meat process worker, which is where young students end up in many rural communities. But he really did want to do this apprenticeship. That was actually before the budget was announced. I was thrilled when I was able to send this mother the details of our top-up payments that would come into play so that she could pass them on to her son.

The wage top-up is fantastic for first- and second-year apprentices under 30 who are undertaking an apprenticeship in a trade occupation that has been included on the migration occupations in demand list. They will be eligible to receive $1,000 for each of the first two years of their apprenticeship. The payment of $500 will be made bi-annually to full-time apprentices at the six-, 12-, 18- and 24-month points of their training. Part-time and Australian school based apprentices will receive $500 annually up to a total of $2,000. That wage top-up measure joins a range of other measures, including the tax-free $1,000 Commonwealth trade learning scholarship and an $800 tool kit under Tools for Your Trade. Another new measure that was announced in the budget last year—maybe it was two years ago—was a $500 fee voucher to assist with the cost of course fees. Those are real benefits for apprentices and are extraordinarily welcomed by those on very low wages.

If you can get a top-up and pay $500 towards the cost of your course fees, it is pretty significant. Once you have worked for a period of time you are able to keep your tool kit. From memory, you have to work for three months, and after you have worked for another six months you are able to keep your tool kit. That is really important because sometimes it takes an extraordinary amount of attention to be able to fund your tool kit to do your apprenticeship. We have done all of these things over a number of years, since the Prime Minister said that a qualification in a trade is every bit as valuable as a university degree, and have absolutely focused on ensuring that our rhetoric actually meets the requirements.

I turn my attention to how New South Wales Labor has assisted with apprenticeship training and funding. They raised TAFE fees by over 300 per cent. That is how New South Wales Labor wanted to assist young apprentices and resolve our skills shortage in rural and regional Australia: they actually raised TAFE fees by over 300 per cent. You can stand in this House and talk about issues, but it is about doing things. When I listen to what has been said in this House, it seems like the old ‘do as I say, not as I do’ syndrome. There is no doubt that the Howard-Vaile government has absolutely focused its attention on apprentices, trades and services, and for this I am very grateful. I have seen many people in my electorate who have been enjoying financial success in trade and service areas. It is indeed a vital investment for our social prosperity, especially in our rural and regional areas. It is also a vital component of the survival of many of our small communities. Quite often in rural and regional areas you see the export of our most valuable commodity: our young people.

I must compliment New South Wales TAFE, Riverina Institute, because their dedication has been extraordinary. The dedication of the teachers in New South Wales TAFE has been absolutely fantastic in ensuring that the apprenticeships that the Australian government funds under the new apprenticeship
system are offered to many places right across my electorate. I pay due credit to Rosemary Campbell and her New South Wales TAFE teachers right across my electorate because I am finding that many of our young people are getting great opportunities, funded by the Commonwealth and delivered by the state TAFE system. I do not have a technical school in my electorate. I hear some discussion every now and again in local media that the New South Wales government might put a trade school in Griffith, in my electorate, but as yet I am unaware of the detail of that. When I look at the way in which life and politics should run, I see that it should be a joint initiative to ensure that the kids of Australia who want to get a trade—whether it is in hairdressing, panel-beating, mechanics, electrical engineering or whatever career they want to have—are assisted as easily as if they were attending a university course.

We have to remember that, until the Howard government decided to assist apprentices and provide more funding, the only money that was provided to assist any student was provided to university students in HECS relief. That is pretty incredible. We have now rectified that extraordinary position and those children, who have every right to access a career of their choice, are now being assisted through this process. It is with great pleasure that, rather than coming into the House and raising the issue as something that has not been addressed or should be addressed even further, I come into the House to congratulate the government on announcing these initiatives.

In addition to the other accumulative benefits that the Howard-Vaile government has been providing to apprentices and young people, particularly in the electorate of Riverina, I reiterate what a sensational success they have been in my electorate, with a 164 per cent increase in the number of apprentices since this government took office in 1996, when the coalition was first elected. Rather than having to come into the House on a continual basis and raise the plight of the trades and services areas, to have 3,750-plus apprentices now in training in the Riverina who are able to take advantage of these warm gestures of the Howard government brings me great pleasure. In conclusion, I commend the bill to the House and urge government to consider even further benefits for the apprentices who will make up our skilled trades force in the future.

**Ms HALL** (Shortland) (6.31 pm)—Under the Howard government’s stewardship, Australia has been plunged into a chronic skills shortage which has been driven by a government that has failed to recognise the economic signals that point to the need for investment in training for the future. One of the first acts of the Howard government was to slash funding to TAFE. As a consequence of that slashing, TAFE was forced to increase fees to remain viable. It has also led to a reduction in courses.

The legislation that we have before us today, the Social Security Amendment (Apprenticeship Wage Top-Up for Australian Apprentices) Bill 2007, is supported by this side of the House, as anything that can be done to encourage young people to undertake apprenticeships is well and truly welcomed. We must recognise that in Australia we are part of a global economy and the most important element of that, from Australia’s perspective, is that we have a trained, skilled workforce. That is so important to our economy and so important for the future.

The legislation before us today honours a budget commitment to provide $2,000 over two years to Australian apprentices who are under 30 and are undertaking an Australian apprenticeship in a trade occupation identified as experiencing national skills shortages.
Coming from the Hunter area, I know that employers are unable to fill positions because there is not the skilled workforce, and I know that there are many young people who would like to undertake apprenticeships who are being denied the opportunity.

This payment will assist young people who are undertaking apprenticeships and it very much reflects the proposal Labor introduced back in 2005. There is an enormous skills shortage and it is very important to encourage people into traditional apprenticeships. That is something that I do not think that the government has done. Members on the other side talk about the number of apprenticeships that have been undertaken under its stewardship but, when you really analyse those figures, you find that they are not in the area of traditional apprenticeships or traditional trades.

Labor has previously announced a trade completion bonus, which has been mirrored, in part, in the budget and in this piece of legislation. Because it will be beneficial, we on this side of the House will support the legislation. But I must say that I find myself much more inclined to reflect on the amendment, and I will talk on it a little bit later. It is important to note that first- and second-year apprenticeships can be particularly difficult. This is when apprentices have very low wages. Therefore, top-up payments really help young people when they are undertaking an apprenticeship. I have spoken to many young people in my electorate, and they have emphasised to me how difficult it is and how they struggle to survive while they are undertaking their apprenticeships.

Earlier, in the Main Committee, I spoke on the House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation report, entitled *Current vacancies: workforce challenges facing the Australian tourism sector*, that was tabled in the parliament earlier today. Mr Deputy Speaker Barresi, you were chairing that committee when we talked to an employer, a restaurant owner, in Cairns. He put to us that one of the issues for apprentices and also for employing people in that industry was the need to bring some sort of equity into their wages. That is where the apprenticeship top-up payment will be quite useful.

Full-time apprentices will receive $1,000 per year; a total of $2,000. Part-time and school based apprentices will receive $500 annually over a longer time frame, once again totalling $2,000. This will be for trades which are experiencing skills shortages. Looking at the report that was tabled, which looked at skills shortages in the tourism industry, I think that there is probably not a trades area which is not experiencing skills shortages, be it electricians, chefs or any trade that is associated with that industry. So anything that can be done to encourage young people to undertake training in the traditional trades is very welcome.

Many young people withdraw from their apprenticeships before they complete them, for a variety of reasons. One of the main reasons, I believe, is the wages that they receive. When their mates are out there earning higher wages, many young apprentices will look to the now and not look to the future, when by completing their studies they would end up on a much higher wage in the long run. The latest annual figures show that in 2005 nearly 130,000 apprentices and trainees cancelled or withdrew from their courses. Whilst the government often talks about 400,000 apprentices in training, it fails to mention—and this is a point I think is very important—that only 140,000 of those apprentices are completing their training, and less than a quarter of those in training are undertaking traditional apprenticeship training.
This legislation looks at that traditional apprenticeship training, an area that is of vital importance to Australia as a nation because it addresses the skills shortages that have been allowed to emerge in our country. The average number of traditional trade apprentices under this government has been about 120,000 a year. The sad fact is that, under the Hawke and Keating governments, it was 13 per cent higher, at 137,000. When you look at the completion rate for traditional trade apprenticeships, in those areas where Australia faces the greatest shortages, the government’s record is even worse, with only 24,700 traditional apprentices completing their training in 2005.

We need the completion of those apprenticeships and we need to have many more young people undertaking apprenticeships. This government has really let Australia down in that regard. Whilst there has been an increase in new apprenticeships, the areas where we have the real skills shortages have not been addressed. This legislation should help to a degree. It should benefit young people such as those who have told me that the hardest part about completing their apprenticeship is not the training, not the study, but the fact that they are struggling financially whilst their mates are out there earning a larger income.

Skills shortages are not something that we on this side of the House have invented. They have been allowed to develop over a long period of time by the government. The government has withdrawn funding from the states, from the TAFE colleges. I think this to some extent has been driven by its ideological hatred of the states and its opposition to public institutions such as TAFE colleges. The fact that it has withdrawn funding from TAFE colleges has created quite a problem. Earlier this year, I was talking to some young people in my electorate who were trying to undertake pre-apprenticeship courses at my local TAFE, Belmont TAFE. They had been unable to do so because the TAFE had had to cut those courses—a metal fabrication pre-apprenticeship course and an engineering pre-apprenticeship course—because they did not have enough money to run them. I was contacted by a number of young people in my area, and luckily I was able to find somewhere else for them. I think one of the young people was able to undertake pre-apprenticeship training at another college because he had parents who could take him there—it is quite a distance to travel and it is not on a public transport route. There were many barriers put in front of these people.

We have to properly fund our system as well as ensuring that our apprentices receive enough money to live on. This is one part of it addressed, but I met with TAFE teachers here in parliament a couple of weeks ago and they highlighted to me the inadequacy of the funding from the Commonwealth to the states for courses within the TAFE system. Funding would lead to the training of many more tradesmen in the future and is desperately needed in this time of skills shortages.

In his address-in-reply to the budget the Leader of the Opposition undertook that, if a Labor government is elected later this year, Labor will provide a trades training centres in schools program. It will provide $2.5 billion in capital funding over the next decade to build new trade centres in all of Australia’s 2,650 secondary schools. It will focus on providing state-of-the-art trade workshops in the areas where we have skills shortages, and information and communication technology facilities and equipment to promote the teaching of vocational education. Schools will be able to apply for funding of between $500,000 and $1.5 million to build trade workshops, computer laboratories and other facilities. These initiatives will all lead towards a highly skilled workforce and make sure that our young people have the skills
and training that they need to address the issues of the future so that we can continue to be a country that can compete globally, rather than ending up being a Third World country.

I would now like to turn to the second reading amendment moved by the shadow minister. Part of that amendment dealt with Australian technical colleges. The first point I would like to make is to ask where the three new colleges will be built. The second point I would make is that, as was highlighted in the shadow minister’s second reading amendment, by 2010 these Australian technical colleges will have produced only 10,000 graduates, and we certainly need a lot more than that. I would like to share with the House how the Australian technical college program has been operating in the Hunter region.

In March last year, I met with two very distraught fathers. Both their sons were attending the Newcastle ATC. They were most concerned because their sons had enrolled at the college full of hope and expectations that they were going to get the skills they needed to become electricians. When they enrolled they found that there were no tools, there were no workbenches and there was not even a job placement officer. Two job placement officers have now been employed, but at that time there was not one. There was no work experience organised for the young people who were enrolling in the college. Even the teachers were saying that the college should not have started at the beginning of the year. It started in February, and it did so for one reason only: because the government insisted that it should do so.

I raised this issue with the minister and I put to him just how disappointed the families were and how let down they felt by a scheme that they thought would provide an excellent opportunity for their sons. Both students at that time were considering withdrawing from the college. By the end of March, not one of the 60 students who had enrolled in the course had started with an employer. Work experience had not even begun to be negotiated, workers compensation had not been negotiated and the college facilities were virtually non-existent. On the last weekend in March, the parents were going to gather together at the college and build the workbenches. They had already sought donations of tools. By the time I saw them, the tools were in place but the kids still had no workbenches.

I wrote to the minister and I received a response. In that response, the minister informed me that they were confident that activities were being undertaken to ensure that there would be work experience placements for the apprentices. He went on to highlight the positives about the Australian technical college system—talking about alternative pathways for year 12 senior students—and, of course, blamed the state government. He said that since I had written there had been a parents open day and information session at the Newcastle campus on 28 March, and he said that he hoped that the parents were happy following that. He really did not answer any of my questions. After I received the minister’s response, I rang the parents and I spoke to one of the young boys, Sam. As of two weeks ago, Sam still did not have a work placement. I rang on the day that he was supposed to be out on his workplace, and he was sitting at home waiting, because the government had failed to organise the placement. The government needs to do a lot more for young people like Sam. The government has let these young people down with its ill-planned ATC program. But I do support the legislation before us today. (Time expired)

Mrs MOYLAN (Pearce) (6.51 pm)—I am very pleased to have an opportunity to
speak to the Social Security Amendment (Apprenticeship Wage Top-Up for Australian Apprentices) Bill 2007, which gives effect to a commitment in this year’s budget to invest in young Australian apprentices. Those under 30 undertaking an Australian apprenticeship in a trade occupation where there is a shortage of skilled workers nationally will benefit from these measures. The benefit is the apprenticeship wage top-up, which amounts to $2,000 over two years. The apprenticeship wage top-up recognises the particular difficulty for many young people in the first and second years of an apprenticeship, when wages are at their lowest point. Further, the bill acknowledges the importance of these young people to the continued prosperity of Australia as well as, at a personal level, equipping them with the skills they will need to secure their own futures.

The global trading environment is highly competitive, and Australia’s ability to maximise its natural advantages will rely on a high level of training to remain economically competitive and encourage improved performance in economic growth. We must be prepared to invest heavily in the training and education of our young people. As a member from the big state, Western Australia, where we have a great deal of mining and extractive industries, I believe we must recognise the importance of value-adding to our product. To be able to do that successfully for the future, we need to have people trained and skilled. A total of $342 million will be invested over four years in a scheme that will pay a wage top-up to apprentices over a two-year period at the six-month, 12-month, 18-month and 24-month points of their training. For those undertaking full-time apprenticeships, a payment of $1,000 per annum will be available. Young people engaged in Australian school based apprenticeships will receive $500 annually over a longer time frame, but still totalling $2,000. Australia has undergone unprecedented economic growth, placing a very high demand on all trades. In order to meet the demand in the many trade areas, the government has relaxed the migration work visa arrangement. This has been absolutely necessary. I listened with interest to the comments from the member for Shortland. Perhaps she has a very poor memory because, notwithstanding the fact that we have had unprecedented economic growth, I think that, in large part, today’s shortage of skilled tradespeople is due to the neglect of the Labor government during their incumbency. Their policy failed to place appropriate emphasis on careers in trades. Again, notwithstanding some of the figures quoted by the member for Shortland—who, as I said, may have a very poor memory—under the previous Labor government and, indeed, under the state Labor governments, there was and has been no attempt to modernise the technical colleges. The technical colleges are supported by the federal government but are run and administered by the state governments. These colleges have become outmoded, lumbering, cumbersome organisations that are unable to meet modern training requirements—and I will come back to that shortly.

In large measure, the previous Labor government has to take responsibility for the skills shortage. It was the hold of the union movement over the training of tradespeople and an unwillingness to modernise trade and training measures which directly led to a generation of young people who did not want to undertake an academic career but who had little opportunity to train in a contemporary apprenticeship and training system that was relevant to today’s requirements. It is no wonder that, in many cases, young people have not completed their apprenticeships. Once they get into the system, they recognise that it is a cumbersome system and that it is not relevant to modern trade practice. That in
no way reflects on some of the very dedicated and talented teachers and administrators of technical education in Australia. But it does reflect badly on the poor leadership of state governments in the area of training and apprenticeships and on their inability to convince the union movement that they have to stop protecting their own little fiefdoms and start looking at a decent, modern training and apprenticeship system. In fact, in part, the reason the Howard government has established the Australian technical colleges is that it has been almost impossible for the state Labor governments to break the union hold over many areas of trade curriculum, leading to a training and apprenticeship system that is badly in need of an overhaul.

I will go to an example. A few years ago I visited a die-making factory. The owners asked me to go down there and talk to them. The owner and his wife ran the factory and they were extremely busy—in fact, they had a full order book and they were turning work away—and they were desperate for more apprentices. Some of the business they turned away went offshore to Korea, notwithstanding the fact that the Australian factory that I visited could do the job at a more competitive rate and to a higher, and a properly finished, standard. In fact, often the client—who had been told that the product would have to be manufactured overseas—would return the product to this factory in Australia to do the finishing work, because the product was unusable until it had been properly finished off.

The owner of the factory and his wife explained to me that, under the apprenticeship system, a die maker needed first to become a fitter and turner, which took three years. That was okay because they would take on a young person from school and, by the time they became a fitter and turner, they would be on adult wages. The problem was that, to become a die maker, they had to then do a further three-year apprenticeship, and that would be on adult wages. This became a difficulty for a small family-owned factory. These people were themselves experienced tradespeople, and they showed me all the state-of-the-art equipment that they used in their factory. The die-making processes had changed since the old days, and they now used a CAD system—a computer-aided design system. They believed that the training requirements were archaic and that a person could become competent in these processes over a much shorter time period if the training system were modernised.

This is not an isolated case. I heard this story from various industries, and at the time I followed through by writing to ANTA—as it then was—and the federal minister. But it seems to me that the state systems are too entrenched and are dominated, as I said, by unions reluctant to make the necessary changes. I hasten to add that it is not the quality of teaching that is being criticised here. Teachers have been held back by the system. It is a system rooted in outmoded trade-training practices that is in question. It was a great tragedy that, during their incumbency, Labor placed almost sole emphasis on university study and professional qualifications at the expense of those young people who may not have been academically inclined but who had great skills and talents to contribute through the trade and vocational training areas. This is not for one moment to impute that higher education is not desirable or important; clearly, it is, and every young person who has the willingness and the ability to go on to higher education should be encouraged to do so—without question. But we must value the talents and abilities of everyone in our society and recognise the interdependence between disciplines. The brain surgeon, for example, cannot successfully operate without those who design and craft the instruments and equipment so vital
to operate. Everything from operating tables to lighting and medical equipment must be designed and then manufactured and crafted by very skilled tradespeople. What the coalition has been able to do is to engender value in all trades, vocations and professions and to recognise that very important interdependence between the professions and the trades.

The coalition government has strongly committed to restoring the status of trade and technical vocations and to ensure that all young Australians see value in pursuing an apprenticeship if they do not wish to enter other fields. This measure will target those young people in an apprenticeship where there is a demonstrated skills shortage and where those skill areas are listed on the migration occupations in demand list. It is a very wide-ranging list, I might say—the occupations range from hairdressing to electronic engineering. This will ensure that we maximise the opportunity for young Australians to fully participate in the workforce and to develop valuable trades. The value of the apprenticeship top-up payments will be exempted from assessment as income under the Social Security Act 1991, the Veterans’ Entitlements Act 1986 and the Income Tax Assessment Act 1997. This bill also amends those acts to ensure that young apprentices receive the full value of this top-up payment and that it will not affect their eligibility for any pension or other allowance that they may be entitled to.

These measures build on the many other initiatives of the Howard government to restore value and respect for the trades. These include tax-free $1,000 Commonwealth trade learning scholarships, an $800 toolkit under Tools for Your Trade—and I heard the member for Riverina speak very eloquently on that. Another new measure was announced as part of this year’s budget: the $500 fee vouchers to assist with the cost of course fees. These will be available to apprentices of any age who commenced a trade qualification in an area of skills shortage on or after 1 July 2006. The benefits outlined in this bill will be available from 1 July this year, so they will be available very quickly—almost immediately. The government anticipates that over the next four years some 228,000 Australian apprentices will benefit from this initiative.

Further, the coalition government’s initiative to establish a further three new Australian technical colleges—one in each of Perth, Brisbane and Western Sydney—will ensure that each of Australia’s five largest cities have two Australian technical colleges. I heard the member for Shortland surmising the location of these, but I am hopeful that in Western Australia one of these at least will service the Pearce community, because it is a community that has a long tradition with certain trades, particularly engineering and agriculture, along with many others. In WA we have seen a bit of a concentration of higher education and technical education in the western suburbs and the southern and northern coastal areas, with very little in the eastern corridor. I am particularly hopeful that one of the bids for the colleges in Western Australia will service the Pearce electorate, where the need is very great and the interest is very high.

There is also support for fast-track apprenticeships to help apprentices reach their qualifications sooner, while still meeting the requirements of employers and industry. This is something that I was talking about before which seems to have been put in the too-hard basket by the many state and territory governments. It has been left to the federal government to try and resolve the need to reconfigure the apprenticeship and training system to ensure that it is relevant to today’s pressing and demanding requirements. FEE-HELP for diploma and advanced diploma courses will be available to encourage those
already with trade qualifications to further build on their skills and knowledge. This will further enhance trade and vocational skills.

It is important that we continue to press the notion that learning is a lifetime occupation. In the fast-moving technological age in which we live, our futures will be very dependent on how quickly we can adapt to the changing circumstances around us. For most of us, that will require us to continue to learn and to develop new skills and to continue to do some retraining throughout our life. This is a very important part of the government’s initiative and will ensure that people who already have qualifications are able to top up those qualifications on an ongoing basis. The new measures are designed to attract new apprentices, with higher wages and shorter apprenticeships. They will enhance the increase in status and availability of technical training in years 11 and 12 and ensure that top-up tradespeople can undertake high-level technical studies. These new measures together will be implemented with a total investment by the Commonwealth of $638 million.

The measures that will be implemented as part of this bill are complemented by existing incentives introduced by the Howard government, including the following employer incentives: $4,000 per apprentice; $800 for toolkits payable to apprentices; $1,000 trade scholarships for apprentices in small and medium sized businesses; a $13,000 wage subsidy for mature age apprentices; work skills vouchers up to $3,000 for individuals aged 25 or over who do not have year 12 or equivalent qualifications; business skill training vouchers up to $500 for apprentices; the living away from home allowance; Austudy and Abstudy; and a $1,000 regional allowance for apprentices. These incentives are on top of the $1.2 billion contribution by the Commonwealth to the state and territory governments for vocational education and training funding and to the existing 25 Australian technical colleges, valued at $468.2 million.

This government has provided a very comprehensive approach to meet the apprenticeship and training requirements for now and for the future and to improve career opportunities for young people. The government has also included in these measures benefits for those embarking on jobs in the non-skilled category that may benefit from the living away from home allowance, the youth allowance and Austudy. Employers of apprentices in non skills shortage areas are also able to receive commencement incentives for certificates II, III and IV and selected diploma and advanced diploma qualifications, which all have quite considerable incentives ranging from $1,200 to $2,500.

There is also a recommencement incentive for certificates III and IV amounting to $750, and there are additional Australian school based apprenticeships, retention incentives, innovation incentives for emerging industries, incentives for mature age workers and special group-training incentives. The government recognises that once somebody enters an apprenticeship there is a need for incentives to keep them there as well as a need to make the training relevant. Claiming for these benefits is made easy through the Australian Apprenticeships centres, whose staff will explain the initiatives and provide claim forms to eligible Australian apprentices. Once the form has been completed and returned, the payment will be made directly to the nominated bank account. There is no need for people to worry that they do not fully understand the system; the Australian Apprenticeships centres will be able to assist anybody who has a query.

This bill provides for important additional measures to ensure a future for those interested in pursuing a trade, providing additional opportunities for choice in careers that
are personally rewarding and make an important contribution to the future economic growth and prosperity of our country. These are forward-looking measures that invest in Australia’s future. I commend the Treasurer, who announced these measures in the budget and who brought down a budget that looks forward and addresses investment in the future. I commend the minister responsible for this bill, the Minister for Vocational and Further Education, and I give it my full support.

Mr KATTER (Kennedy) (7.10 pm)—If you walk through that door you will see a huge portrait of Charles McDonald, the first member for Kennedy. In his first speech when he came into this place he spoke diametrically against what the honourable member for Pearce was endorsing in her speech—that is, the bringing of people from overseas to take our jobs at what he saw, and at what a lot of us see today, as a much lower wage level than would otherwise occur. At the time, the population of Queensland was predominantly Chinese, not European. The majority of Queensland’s population before the turn of the century was Chinese, and large numbers of Kanakas had been blackbirded into Australia, some of them with great violence. The honourable member for Dawson is here and has probably read the famous book on the Kanakas coming to Queensland. McDonald’s vehemence was quite understandable. People had fought fiercely to get a fair go for the worker and, when they had achieved these conditions, they saw employers bringing people in from overseas who worked at nothing like the award wages, completely undermining all the work that they had done to establish some sort of decent income for the Australian working class.

To put that in perspective and to clothe it in reality, in the mining industry—off which my forebears in Australia have lived for close to 130 or 140 years—in the early 1900s one in 32 of us who went down the mine-shaft never came back up or came back up with a terrible lung disease. That was overcome by union action, and even though I have always been on the conservative side of politics I have always been a very strong supporter of trade union action because I can clearly see the necessity for it, particularly in a large workplace such as a mine. If you want to see what happens when the big mining companies run a country, you have to look at the model of Cecil Rhodes, who destroyed a fair proportion of the Matabele nation and destroyed some 28,000 women and children in concentration camps. Regrettably, we were fighting on the side of the British, so we must share some of the blame for what happened to the Boers—the white Africans, if you like—in those concentration camps. They lost the war, and the running of the government was taken over by the huge mining magnates who brought massive amounts of cheap labour in from central Africa.

The government of South Africa accepted this; they rolled over. They accepted the argument that they could not be competitive in mining unless they had this supercheap labour from central Africa. So they accepted that. The Boers—the South Africans, if you like—woke up one morning and found that they did not actually own their country, that the people who had come from central Africa owned their country. They did not have a very pleasant time afterwards. It may well be said that they did not give these people a very pleasant time before.

Fiji has suffered exactly the same problems. The British colonial rulers in Fiji decided in their wisdom to bring out labourers from the Indian subcontinent and from Ceylon, or Sri Lanka, as it is now called. Again, the Fijian people woke up one morning and found that they did not own their country. In the Torres Strait—and I had the very great
honour of being the state minister with responsibilities for the Torres Strait for a significant proportion of my life—people had pictures of Rabuka in many of their homes. They regarded him as a great hero, because they did not want to lose their country to some foreigners. And, if you bring in workers under section 457 visas, which is a very great controversy—the government has pulled back on it, thank goodness—one can clearly see where we might head.

There are those who would construe those remarks of Charles McDonald, the first member for Kennedy, as very racist. But I would defend him and say that they were not racist at all; they were about working-class people who had fought hard for pay and conditions and were winning the battle. At the time he made those speeches, as I said, one in three of them who were going down the mine did not come back up, or did so with a terrible terminal lung disease. He represented mainly Charters Towers, which was the biggest city in Queensland then, and he represented mainly those people, and they had a fight that was literally about life and death. So we view this situation with very great worry.

Now, if we are not going to bring in people under section 457 visas then we have to train people ourselves. I want to quote Councillor Fox, who is a member of the Cardwell Shire Council in my electorate. He is a builder, and of course with Cyclone Larry there has been immense demand for builders. Councillor Fox is a great advocate of employing apprentices. He says that ‘it really is a good deal for the employer’. There are many people who say, ‘We lose these people for two months of the year and they get paid very high wages relative to their value to the operation.’ But Councillor Fox spoke very strongly in favour of having apprentices.

I want to bring this important issue to the attention of the House. Through the great game of rugby league, which creates lines of communication which no other institution or mechanism in this country can create, when we were handing over the trophy for rugby league supremacy for the gulf and mid-west to Travis Fraser, who is the very outstanding captain of the football team up there, I said, ‘How’s work going; are you doing an apprenticeship?’ And he said, ‘Yes, but I had to give it up.’ I asked why, saying, ‘I’m very intrigued about why you would give it up.’ They have big mines near Doomadgee, his hometown, so there is very good work, very highly paid work, available to them, particularly if they have trade qualifications. So I was very surprised that he gave up his apprenticeship. But he has a wife and two or three kids to support—his little son was playing touch football with us. Travis is still a very young man. He is at the age when people should be doing apprenticeships. But people get married and have children—or they have children and do not get married, whatever the case may be—and they have responsibilities. What I am saying is really very spot on, because under an apprenticeship you get. I don’t know, $30,000 or $35,000 and you cannot possibly, particularly in country Australia, have any hope of keeping a wife and kids alive on $35,000 a year. That might be possible if you are living at home in a city, but it most certainly is not possible when you have to set up your own home and look after a wife and kids.

A lot of these people, if they do not have an apprenticeship, will simply go on the dole, unemployment benefit. The government has got to consider the case of Travis Fraser, because on that unassailable logic turns the country’s prosperity at the moment. There is no doubt that in the mining industry in Australia—and the comments of the member for Pearce are very accurate—we
are desperate for skilled tradesmen and, unless we want to go down the Fijian or South African road and see our country lost to different races of people that will come into Australia, we must confront the issue of apprenticeships.

The thing that intrigues me greatly is that I come into this place and hear everyone stand up and talk about apprenticeships. I think it was the third highest ranking issue in the last federal election; certainly, in the electorate of Kennedy I would have put it at No. 2, second to health, which was a state government matter, so as a federal government matter it was probably the major issue. All I can say is that, in the major two cities, the major two population centres, in the Kennedy electorate, Mount Isa and Innisfail, there were TAFE built at a cost of some $40 million to $50 million, and both of them are empty. A secondary school has moved into the one in Mount Isa, so it is half a secondary school and half a TAFE. With the other one, they are desperately trying to find people to lease it out to or, arguably, I am told, to sell it to.

When I was elected member for Kennedy, I went along to their annual nights at which they give out their diplomas and, at both those centres, I would have thought there were 700 or 800 people there. If they had a diploma night now, we would be lucky to get 20 there. So, whilst everyone is talking about it, all I can say is that on the ground the TAFEs are simply vanishing. There is simply nobody there. But 200,000 people live in the Kennedy electorate—in fact, a little over 200,000 people—and there is effectively no TAFE operating inside Kennedy. These people are not wealthy enough to be able to go and live in cities like Townsville, Cairns or Brisbane to complete a TAFE course, and that is the reason the TAFEs were put in the area originally.

I do not fully understand who is to blame for this and I have a limited amount of time to devote to it. But, as I understand it, tertiary education comes under the federal government’s responsibilities, so we in this place must take full responsibility for this. We are sitting here congratulating ourselves on handing out $1,000 over two years. I do not think that is going to influence anyone’s judgement—neither an employer’s nor an employee’s. I laud the government for doing it and say, ‘Yes, that’s very nice.’ But I doubt whether there is a single person in Australia whose judgement it is going to influence. It most certainly is not going to influence the judgement of Travis Fraser, who was in his third or fourth year of his apprenticeship. He just could not sustain keeping his family alive any longer.

As on so many other issues, we come in and talk about it but no-one has sat down and thought this thing out. All I can say is that, on the ground, there are 200,000 people living in North Queensland in the biggest mineral province on earth, I think we are producing about $12,000 million a year from the gulf and north-west Queensland and we cannot get any apprentices. We cannot get any apprentices because of the argument that Travis Fraser so eloquently put to me that evening at the rugby league handover.

Lawrence Hartnett was the founder of the motor vehicle industry in Australia—one of the truly great Australians. He came from a very wealthy, upper-class family and he did his apprenticeship at Vickers in England, at that time the greatest engineering company on earth. They built giant ships, power station generators, aeroplane engines, motor vehicle engines; they were the greatest builders of that age on the planet, going back to the early part of the last century. When Lawrence Hartnett applied for the job, he got an interview with the international head of Vickers. He wanted to do their management
traineeship because he wanted to be an engineer and become a very powerful and influential man inside Vickers. That was his ambition as a young man but the boss of Vickers, internationally a person employing some 100,000 people, said, ‘In this outfit, if you want to take my job then you start as a fitter and turner as I did.’ So Lawrence Hartnett started as a diesel fitter. He said, ‘I went from starched collars and cuffs to greasy overalls and the rougher demeanour of the working class.’ He said, ‘I grew to like them very much.’ When he came to Australia, he was home because it was a place made up of very much those sorts of people.

But the point of the story is that if you have enlightened corporate government then what you want at the top is not someone who is used to playing with figures on a computer screen or on the stock market and playing at becoming a boardroom tiger but someone who actually knows how to put a screw into a hole. That is a very important thing for people to know: how a piece of machinery works. That was the great strength of the British nation and the great strength of the Vickers’ operation in those years. They created people like Lawrence Hartnett, who came to Australia and, along with Ben Chifley, created our great motor vehicle industry in Australia, which may be collapsing now but served this country well for half a century. The point I am trying to make is that, when England was great, their people were trained in a trade not at a university. Even if they were, like Lawrence Hartnett, from a very rich, upper-class background, just like the head of Vickers, they were expected to get their hands dirty and grease under their fingernails on the workshop floor.

In conclusion, I pay very great tribute to Charlie Sartain, the head of Xstrata Copper worldwide, also the head of Mount Isa Mines, and his appointment of Steve de Kruijff as the boss. It is the first time in my life that a major mine in Australia has been run by a person with trade qualifications and in this case probably even less than trade qualifications initially. Whilst Mr de Kruijff might have trained later on and undertaken some courses, he came straight up from an unskilled labourer’s position with the company. It is a great tribute to that company. One of the reasons that it is going so well at the present moment is the sort of enlightened leadership that it provides in areas such as this.

There is only one School of Mines in Australia; I think it is still operating in Western Australia. The whole country’s economy depends upon mining and we have one School of Mines. We have only one metallurgy school in Australia, which is also in Western Australia. Is the government serious about this $1,000? Seriously, is anyone going to take on an apprentice or take on an apprenticeship for an extra $1,000? The sorry nature of this is that Travis Fraser is not, and Travis is the person who we have to be able to put into an apprenticeship if this country is going to survive and prosper in its present situation.

One of the great industries of Australia, the motor vehicle industry, up until very recently anyway, was created by a person who simply had a trade. In fact, the great Henry Ford never went near a university; he was simply a tradesman—that was all he had. The great Alexander Graham Bell was also a tradesman and had never been near a university. If you want these great industries to prosper and thrive, it has to be through people who have got dirt under their fingernails and know how things work at the lowest level.

For a person who spent a fair few years at university and has their name in gold lettering above the door at the law faculty library at the University of Queensland, I of all peo-
ple know only too well it is so easy to get the technical knowledge that you need but so hard to get the practical knowledge, which we are not providing in Australia. All I can say, on behalf of the 200,000 Australians whom I represent, is that we have effectively no TAFEs operating for those 200,000 people. We cannot afford for our kids to go away to the big city, they cannot afford to go away and most certainly their employer cannot afford to see them go away for block training. We are simply locked out of this training. There are thousands of Travis Frasers out there, and $1,000 is not going to solve that problem.

We urge the government to sit down and look at some serious approaches that will enable us to go down this pathway. I venture to suggest to the government that if we are paying somebody with a wife and three kids some $35,000 a year—or whatever it is—in unemployment benefits then surely we can afford to put some of that towards paying these people to do a trade. That would benefit the mining industry tremendously. It would head off where we are heading pell-mell at the moment—down the Fijian or South African road which so terrified Australians back in 1901, when Charles McDonald stood in this place. Lastly, it would give our young people a go. Maybe there are a lot of Lawrence Hartnetts out there. Maybe a Travis Fraser who is a Lawrence Hartnett in the making, but under the present system a Lawrence Hartnett can never happen in Australia if he comes from country Australia. (Time expired)

**Mr ROBB** (Goldstein—Minister for Vocational and Further Education) (7.31 pm)—In summing up, I would like to thank all those who have spoken on the Social Security Amendment (Apprenticeship Wage Top-Up for Australian Apprentices) Bill 2007, which deals with apprenticeship wage top-ups for Australian apprentices. At the same time I would like to acknowledge the support indicated by both sides of the House for the provisions in this legislation.

In saying that, I am sorry that many of those opposite took the opportunity to rewrite history and also to misrepresent the very significant steps that have been taken and are being taken by the Howard government in regard to vocational and technical training, especially the leadership that the Howard government has shown in raising the status of vocational and technical training and the occupations that relate to that training. You would think that the state governments would be undertaking that role, given their responsibilities, but in fact after listening to all those opposite you could be forgiven for thinking that the state governments have absolutely no responsibility for vocational and technical training, much less primary responsibility, a responsibility they have sadly neglected.

It is really only through this government’s leadership in the last couple of years with the Australian technical colleges, where on the initiative of the Howard government we have introduced 20 new colleges which are open and a further eight which are in the pipeline, that the state governments have promised in excess of 40 technical schools. It is a great thing that they have followed the lead of the Howard government. We now have just on 70 new technical colleges promised throughout the country. It is a great initiative. It will mean that, by 2009, close to 35,000 young Australians will be in dedicated technical colleges for their years 11 and 12, finishing their year 12 certificate and also being one-third of the way through an apprenticeship. This is a great initiative. It is a real revolution in technical education. The leadership shown by the Howard government and the importance of the states now following suit in so many regards must be acknowledged.
The Social Security Amendment (Apprenticeship Wage Top-Up for Australian Apprentices) Bill 2007 deals with the apprenticeship wage top-up for Australian apprentices announced by the Treasurer on budget night. This measure will provide $2,000 tax free to apprentices to help in their first two years of an apprenticeship when their wages are not as high as they might otherwise be. Apprentices are important to our ongoing economic growth, and we need to make sure that those who commence an apprenticeship are given assistance to see it through.

The other important aspect of this initiative is to provide $1,000 tax free at a time when apprentices are earning somewhere between $15,000 and $19,000 and when their mates are often going down the road and taking unskilled jobs in warehouses or somewhere else for another $5,000 or $10,000. There is a great temptation not to look to the future and to go and seek money in those early years just after leaving school. This $1,000 top-up for those first two years is not only an important contribution that will provide some valuable dollars in the pocket to help apprentices through that period but also a signal from the government on behalf of the broader community that what these apprentices are doing is something that we as a community value. There is a strong commitment from the government, on behalf of the broader community, to these young people to make the most of the talents that they have been born with.

The bill exempts apprenticeship wage top-up payments for Australian apprentices from income tax through an amendment to the Income Tax Assessment Act 1997. Very importantly, to ensure that the wage top-up is not taxed, they will get $1,000 in their pockets to spend as they see fit. Importantly, the bill also amends the Social Security Act 1991 and the Veterans’ Entitlements Act 1986 to exempt the apprenticeship wage top-up payments from social security and veterans’ entitlement income testing. This ensures that Australian apprentices receive the full benefit of all of these measures in the initial years of their training.

The wage top-up is one of a number of measures that the Howard government is providing to assist apprentices. Apprentices may also be eligible for apprentice fee vouchers of $500 a year in the first two years in those trades where we are facing skills shortages. They may be eligible for $1,000 Commonwealth trade learning scholarships and $800 for tools for the trade. There is also support for mid-career apprentices. We are providing a total of $15,000 in wage subsidy for those over the age of 30 who are undertaking a mid-career apprenticeship. There are now many thousands in that category. This initiative begins on 1 July this year.

They may also be eligible for living away from home allowance, which begins at $17 per week in the first year; Austudy; Abstudy; and youth allowance—a whole raft of measures which are directed specifically to the apprentices themselves to make it easier and possible for them to get through those apprenticeship years, which are financially difficult but, importantly, to show that there is serious acknowledgment and a level of support in the community for them to make that effort and give full expression to the talents they have.

Not only are we providing initiatives for apprentices; we have also got initiatives and incentives for employers of apprentices who may be eligible for commencement and completion payments of up to $4,000 in total. There are $1,000 innovation payments, additional payments for employers taking on Australian school based apprentices, rural and regional incentives, declared drought area incentives and mature age worker incentives. Ensuring that Australian apprentices
have the support they need to undertake their training will encourage people to participate in Australian apprenticeships. Apprenticeship numbers have already increased 158 per cent since 1996 with currently 400,000 apprentices in training compared with 154,000 in 1996. These initiatives will encourage more young people to see an apprenticeship as a valued career path.

The Howard government has increased real spending on vocational and technical education by 99 per cent in real terms since 1996 from $1 billion to just short of $3 billion; an enormous contribution, an important contribution—a contribution which you would not be aware of if you listened to those opposite during this debate. It is a very significant attempt to assist the states, which have prime responsibility for social technical training, to meet the skills gaps that we are confronting after many years of uninterrupted economic growth and an ageing population, and the pressures which come with both of those developments. We are seeing a record $11 billion commitment over four years from the Howard government on initiatives such as support for Australian apprentices but also on Skills for the Future for those in mid-career for training of people throughout their life. There is also support for 28 Australian technical colleges and $5 billion to the states to assist them through the Skilling Australia’s Workforce agreement to provide important funding for TAFEs and other registered training organisations.

This is a huge commitment from a government that has been working very hard over 11 years to provide leadership on vocational and technical education. These measures will assist Australian apprentices, who are an important part of our workforce, and I commend the bill to the House.

The DEPUTY SPEAKER (Mr Wilkie)—The original question was that this bill be now 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.

Question agreed to.
Original question agreed to.
Bill read a second time.

Third Reading

Mr ROBB (Goldstein—Minister for Vocational and Further Education) (7.41 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.
Bill read a third time.

AGED CARE AMENDMENT (RESIDENTIAL CARE) BILL 2007

Second Reading

Debate resumed from 29 March, on motion by Mr Pyne:

That this bill be now read a second time.

Mr BROADBENT (McMillan) (7.41 pm)—This bill demonstrates the government’s continuing commitment to aged-care reform and investment. It substantially increases outlays on residential care by the very significant growth in care places and its recognition of the complex care needs of residents of aged-care facilities. The bill proposes to amend the Aged Care Act 1997 to implement the government’s decision to reduce the number of funding levels in residential aged care and provide supplements for residents with complex healthcare needs, including palliative care, and for residents who have mental or behavioural conditions, including dementia.

Since coming to office in 1996, the Howard government has worked consistently to ensure that older Australians needing long-
term care have access to a high-quality and affordable aged-care system capable of meeting their needs and preferences. This has included commissioning the Hogan review to look at pricing arrangements in residential aged care. The government immediately addressed the main recommendations raised in Professor Warren Hogan’s report by providing $2.2 billion as part of its 2004-05 budget package Investing in Australia’s Aged Care: More Places, Better Care—the largest single investment in aged care by any Australian government.

The new Minister for Ageing, the member for Sturt—and I take this opportunity to congratulate the minister on the work that he is doing at the present time—in his second reading speech said:

Over the last two years, the Howard government has consulted and worked with the residential aged-care industry, including nursing and care staff, to develop a more effective assessment and funding instrument which will reduce administrative effort and costs for aged-care providers—an issue that has been raised with local members throughout the nation. Through the amendments proposed today the bill aims to replace the resident classification scale, which is the current method used to classify residents in order to allocate Australian government subsidies, with a new Aged Care Funding Instrument as the method for allocating subsidy to approved providers of residential aged care. As the minister said, the ACFI has been designed to better target funding towards the care of residents with higher needs and reduce the volume of documentation completed in residential aged-care facilities solely for funding purposes. The total investment by the government for the care of older Australians between 1996 and 2008 is $67 billion.

On 12 March this year, as a further demonstration of this government’s continued strong commitment to fair and affordable access to high-quality aged care, the Prime Minister announced an additional $1.5 billion in funding for aged-care services through the Securing the Future of Aged Care for Australians package. The Prime Minister said:

Let me put this in context, the simple fact is that over the next 20 years, as the baby boomers, as they’re called, go into retirement, we will see the number of people over the age of 70 double ... It’s a good thing. We’re all living longer, we’re all living healthier, longer lives and that is to be encouraged and appreciated. But it does of course mean that we need to put additional resources ...

This bill and this package will address these challenges. They will ensure that an increasing number of older Australians now and in the future will be able to access the right level of care when they need it. It will also help Australia’s aged care centre to meet those needs. The Howard government is providing more and better community care so more people can continue to live in their own homes for longer; increasing investment in high-level residential care; better matching funding to care so that, over time, payments for those with the highest care needs will increase; introducing a new, fairer income-tested care fee, which will no longer treat self-funded retirees on a different basis to pensioners with a similar income; providing more help for disadvantaged older people and people in remote areas, including Aboriginals, Torres Strait Islanders and homeless people; and introducing other measures to improve the fairness of the aged-care system.

These changes will make a fairer, simpler and better system, and will involve a large increase in Australian government subsidies for aged care. This bill and this package are further recognition that our aged-care system faces a number of long-term challenges. By 2051, Australia’s population is expected to reach 28 million, an increase of 37 per cent from today. Over the same time, the number
of people over 55 is expected to increase by 113 per cent, from five million to around 10.7 million. The change will be even more marked among people aged 85 or over. At present this group represent around 1.4 per cent of the population. By 2051, they will account for between six per cent and nine per cent. These are massive changes and they present a number of challenges, but this government is facing up to these challenges. Our initiatives to date include: workplace and superannuation reforms, an overhaul of aged care, strengthening Medicare and the Pharmaceutical Benefits Scheme and increases in the training of doctors, nurses and aged care workers.

Of course, the Treasurer had to give my friends on the opposite side of the House a little money lesson this week with regard to saving and preparing for these challenges. The Future Fund, the Treasurer said:

... should never be funded by taking away the savings of future generations. Let me tell you, if you take the money out of the Future Fund now, you spend it, you are still going to have $140 billion of liability in 2020 except you won’t have the money to pay them. And just at a time when the population is ageing, when we have got fewer people in the workforce, when the demands are greater, you are going to have no provision or less provision to actually meet those liabilities.

On this side of the House, we recognise the need to save and invest in the future generations of this nation and the challenges of an ageing population: the Labor members opposite want to raid the kitty and spend the proceeds now. It is what Labor did when they were in office 11 years ago. Labor cannot be trusted with money. They see this fund, which has been set aside to set up Australia for future challenges, as something they can break into and they are trying to consume the proceeds for their own electoral purposes.

My electorate of McMillan is a snapshot of the ageing population picture. The McMillan electorate covers some 8,300 square kilometres, from the Great Dividing Range, or Mount Baw Baw, in the north to Wilsons Promontory in the south and from the eastern outskirts of Melbourne, at Pakenham, to the heart of the Latrobe Valley in the east. 15.4 per cent of the population is in the 65-years-and-over age bracket. That is higher than the average for Victorian rural electorates. Within McMillan itself, the figure varies widely. The highest proportion of the 65-plus age group is in the south Gippsland region, where the proportion is over 16 per cent. McMillan has 24 aged-care services. Today, that is 1,227 beds. In 1996, it was a mere 776 beds, when the Howard government came to office.

Of course, every member in this House would boast of the facilities in their electorate. I also boast of the facilities in my electorate of McMillan. I recently visited Rose Lodge in Wonthaggi, who were successful recipients in the 2006 aged-care funding round of a further 20 low-care beds. This will further enhance the good work being done at Rose Lodge, particularly the work of Barbara Shipp, secretary of the board, and Mrs Clara Purcell, who plays piano. She sings and plays some of my dad’s favourite songs, particularly Dancing with My Shadow, which she knew. I am very proud of the aged-care facilities in my electorate. I do not think the minister at the table would know that song, but I am sure his father would.

Mr Hunt—Yes.

Mr BROADBENT—I am a supporter of continued investment in aged care across the nation, but in particular I am seeking to support, as I always do, individual centres. I mention three aged care facilities in my electorate: Lyrebird Village in Drouin, Latrobe Valley Village in Moe and the Corner Inlet Community Care Association’s nursing
home at Toora and associated facilities. I will just dwell on the Corner Inlet Community Care Association for a minute. It is a community owned, not-for-profit association operating in surplus. They operate two nursing homes—Banksia Lodge Hostel at Foster and Toora Nursing Home at Toora, where I visited recently, and I am there quite often.

I have seen the work that those wonderful people do in nursing homes. It takes particular people with particular expertise and particular heart to deal with people who are not sick but old. It takes compassion, care and heartfelt endeavour. I am sure that I am not the only member in Australia who recognises the work that people do within aged-care facilities. They are dedicated and put in an effort because sometimes, not all the time, they have very difficult clients. The Toora Nursing Home is the biggest employer in Toora. Toora is only a tiny place and Toora Nursing Home is not a big nursing home. They not only meet but exceed accreditation standards in quality of care. They have a very efficient and professional board of management. Good operations always—as you know, Mr Deputy Speaker Wilkie—come from good leadership and a community that actively supports their endeavours.

I will be speaking further about these issues with the new aged-care minister—about being able to support this group and others who have done the hard yards and stood on their own as a beacon of success in that community. These people have raised a very large amount of money to support themselves in the process. I can only appreciate how much a local community cares about their aged-care facilities when they do it in real terms—when they raise real dollars, big money, as an investment. It is an investment not only in the aged-care facility, the staff and leadership but in those who have paid such a high price in the past, many of them through two wars. These people have been the great investors in the community where I live and work, in South Gippsland and across Gippsland. I have mentioned the area that I am from. We owe a great debt to that generation and, in owing that debt, it has been with some gratification that I see the money that the Howard government has poured into the aged-care sector. There is always more to do. The government, above all, knows that there is always more to do. Six years ago, the government announced the whole-of-government approach to the ageing of Australia’s population and has pursued that ever since. This bill continues on that path. I commend the bill to the House.

Mr LAURIE FERGUSON (Reid) (7.55 pm)—On 6 June I met with a number of organisations in Melbourne who have involvement in aged care: the Australian Greek Welfare Society, COASIT—the Italian Assistance Association—and the Australian-Polish Community Services. In the case of the Greek and Polish organisations, I have had meetings with them over the years, and it was not my first visit to COASIT. I mention in passing that one thing I was very impressed with was the amount of money the Italian government devotes each year to the retention of Italian languages in Victorian secondary schools. The Italian government actually funds 40 teachers to come to Australia each year to assist in the Victorian secondary education system. I also mention that I have had previous meetings with the Ethnic Communities Council of Victoria, the ECCV. This visit, some correspondence from those organisations and earlier activity by the ECCV will inform my comments on the Aged Care Amendment (Residential Care) Bill 2007.

This bill seeks to amend the Aged Care Act 1997, introducing a new arrangement for allocating subsidies in residential aged care: the Aged Care Funding Instrument. The bill also alters current arrangements in which
classifications expire after 12 months and removes the requirement for providers to submit reappraisals, but it gives providers the option to reappraise residents after 12 months. Another area of amendment allows a provider to accept a resident’s current classification when a resident moves from one home to another rather than being required to submit a new appraisal. I would think that is an eminently sensible suggestion. In essence, the bill is designed to reduce the amount of documentation generated in aged-care facilities which is required to justify the funding classification for each resident. The opposition welcomes the stated objectives of reducing paperwork for aged-care staff and, hence, liberating people’s time for essential tasks in actually caring for residents.

With the above in mind, I now move on to the issue of providing aged-care services to people from culturally and linguistically diverse—CALD—backgrounds. This issue has been raised with me by numerous community organisations, including the Ethnic Communities Council of Victoria—ECCV—which, it must be said, of all the state organisations of the Federation of Ethnic Communities Councils, has been the most active around these issues. According to the ECCV, senior people from CALD backgrounds are rapidly ageing. It is projected that CALD seniors will represent 38 per cent of Melbourne’s senior population by 2011, based on the departments of Treasury and Finance figures in 2004. In particular, the population of CALD people aged 80-plus in Victoria is projected to grow at the exponential rate of 171 per cent between 1996 and 2011. That is based on material from the Australian Institute of Health and Welfare.

As summarised by the previous speaker—and, no doubt, it will be repeated by many other speakers in this debate—it is well known that Australia’s population is progressively ageing, as is the case in many Western nations. Approximately 13 per cent, or 2.5 million people, are currently aged over 65. By 2051 the proportion of the population aged over 65 will represent one-quarter of the nation’s population, barring major immigration intake changes. While the population as a whole is ageing, the migrant-background population is ageing even more rapidly. By 2011, just four years from now, it is predicted that nearly 23 per cent of Australians aged over 65 will be from a culturally and linguistically diverse background. The Federation of Ethnic Communities Councils argues that demographic changes within CALD communities are reflective of Australia’s migration patterns.

Refugees from eastern Europe and the Baltic states described as displaced persons began to arrive in Australia after World War II, while the 1950s and 1960s intakes were characterised particularly by nationals from Germany, Greece, Italy and the Netherlands. These participants in Australia’s postwar migration program are now representative of the growing group of older CALD persons. As at 2001, the top five oldest birthplace groups were from Italy, Greece, Germany, the Netherlands and Poland. While Italy and Greece represent the most demographically significant birthplace groups in overall numbers and will continue to dominate for the next 20 years, by 2026 people of Vietnamese and Chinese background are projected to rise to third and fourth position respectively in the top four cultural groups of the older CALD population. Naturally, the number of aged people in this group is only going to increase. With this will come more difficulties and greater urgency, and there is a need to act now.

The following national statistics provide a snapshot. As of 2001, there were 94,500 people aged over 65 who spoke Italian at home; 43,000 Greek speakers; 29,000 speakers of the total of Chinese languages; and
24,000 German speakers. If we look at some of those language groups, we notice that some of the smaller groups have a large number of their population in the over 65 age category. Amongst Ukrainian speakers, the figure was 43½ per cent. Of those who speak Netherlandic and related languages, such as Frisian, it was about 39 per cent. Of Hungarian speakers it was 32 per cent, and of German speakers it was 31 per cent.

I note in passing my disquiet at the decision of the Department of Immigration and Citizenship to discontinue funding for the Ukrainian Welfare Association in my electorate at a time when this particular community—whilst its numbers are being reduced and we are on to the third and fourth generation in some cases—is facing particular needs, especially in the aged sector.

In the lead-up to the 2006 Victorian elections, the Ethnic Communities Council of Victoria prepared an insightful report into the key issues affecting ageing CALD communities in Victoria, titled A proposal for a multicultural aged care strategy. Some of its analyses involved:

Clearly communities with large ethno-specific populations should be entitled to deliver services, particularly communities such as the Italian, Greek and Polish—who—have large numbers of seniors with low-level English proficiency.

That was the reality of their employment in the manufacturing sector in this country when English was not required for unskilled jobs and there was not much availability of classes at work or the time to pursue them out of hours. Another matter raised by the ECCV was:

Ethno-specific agencies and migrant resource centres are close to their communities and intimately understand and are able to respond to their communities’ needs. A Multicultural Aged Care Strategy should commit to supporting ethno-specific agencies and where relevant migrant resource centres as key partners in delivering aged care services, particularly when there is critical mass in those communities.

These issues are particularly acute for some eastern European communities. For example, the Polish community has been early to reach its peak demand for aged-care services. As a result, the Australian-Polish Community Services Inc. have recently written to me about a number of issues: the need to expand the existing Community Visitors Scheme; the lack of culturally appropriate activities for CALD residents in aged-care facilities; and the almost complete lack of use of interpreters by residential care providers—in this case, the Poles themselves raised their personal circumstances. This is particularly problematic when residents are trying to express complex medical conditions and are having them explained to them.

Another issue raised was that existing promotional materials need to better reflect the needs of communities, such as the Polish community, where failing memory amongst many has meant that they are no longer able to communicate in English. I give a personal instance of a person known to me, Larry Kowzlowski. He is formerly of Granville. He is a person who did not totally immerse himself in the Polish community. He is a follower of the Western Suburbs Tigers rugby league team and a person who frequented clubs in the area. He is married to a woman of Tongan extraction. He was involved in the Catholic Church and in broader Australia. He was a victim of the Nazis and received some compensation for that years later. This person did not live inside the Polish diaspora. He lived in the broader context of Australian society, yet he is part of the example that the Polish community has given to me in that he has totally lost his English ability and can...
now only speak in Polish and is in a nursing home. He is a local example of that problem.

Similarly, it is claimed that Carers Australia are not aware of the needs of ethnic carers and they are not referred to at all in their policy responses. Some of the key recommendations in the ECCV’s multicultural aged-care strategy include combining various multicultural aged-care programs with limited funding into a comprehensive multicultural aged-care strategy; allowing more client choice in selecting HACC providers; strengthening the capacity of ethno-specific agencies to provide services for larger ethnic communities; ensuring state public sector aged-care facilities provide culturally sensitive services wherever appropriate; funding ethnic senior citizens clubs—and one aspect of my recent Melbourne visit that was particularly impressive was the number of clubs in the Greek community that operate in that city and the support given by the Greek Welfare Association and its staff and volunteers to them; and, finally, ensuring that elder abuse in ethnic communities is addressed.

In respect of HACC, the ECCV has spoken of greater consideration being given to client choice in HACC services. In many areas of government service provision today, such as residential aged care, clients may choose their preferred provider. However, many HACC services seem to have been exempted from the reality of this general trend. That is particularly the case in Victoria, where there is, by national standards, a very high participation by local government in the delivery of HACC. Local government, nursing services and community health centres are the main providers of HACC services. While the Culturally Equitable Gateways Strategy and cultural action planning have strengthened local government’s commitment to multicultural services, more precise research is needed on issues such as the level of multicultural and bilingual staff in local government services and the efficacy of translated materials for HACC services.

In summary, I have taken some time to speak about the specifics of a burgeoning problem in respect of the ageing of our postwar migration intake. It is all right to assume that families are close in these communities. Traditionally, they have not been as prone to recourse to aged-care facilities. But whether it is from the point of view of them living independently or the reality of modern Australia, the second and third generations of these communities are as subject to social change as the rest of society, and it cannot be assumed, as it was in the past, that these issues will be taken care of in the family context. We have to face up to the failures in the system that are there at the moment because the community was perhaps not attuned to the expanding numbers, to the changes that are occurring inside these demographics themselves. These organisations, particularly in Victoria but also in other states, have been proactive in trying to get some attention focused towards these issues.

Mr FAWCETT (Wakefield) (8.07 pm)—I rise tonight to speak to the Aged Care Amendment (Residential Care) Bill 2007. The purpose of this bill is to amend the Aged Care Act 1997 to introduce a new arrangement for allocating subsidy in residential aged care. Specifically it is to replace the resident classification scale with the Aged Care Funding Instrument as a means of allocating subsidy to providers of residential aged care.

The key point about this is trying to make the system more efficient. It is going to reduce the number of funding levels in residential aged care and provide subsidies for the care of residents with complex health and nursing needs, including palliative care and care for residents who have mental or behavioural conditions, such as dementia. It is de-
signed to reduce the amount of documentation and record keeping which staff have to generate in order to justify the funding classification for each of their residents.

The bill also changes current arrangements in which classifications expire after 12 months. It allows the option for managers and operators of residential facilities to renew a classification at 12 months if they want to, but, by removing the requirement to reclassify at the end of 12 months, there will be some 60,000 classifications a year that will be not required, and that in itself will provide a substantial saving to the sector. The bill also allows the secretary to define the types and forms of records that an approved provider must maintain. This will reduce the amount of documentation and record keeping needed to justify the funding. It will also streamline the audit process so that single questions or specific groups of questions can be targeted by the review officers, rather than every single aspect of the appraisal.

The last significant point is that the amendments allow an approved provider to choose to accept a resident’s current classification if a resident moves from one home to another, rather than being required to submit a new appraisal. This has come not so much out of this place but out of a two-year consultation throughout the sector, with providers and, importantly, with their staff—both nursing care staff and administrative staff—to work out the most efficient way to manage the governance surrounding the funding that the Australian government provides, along with practical and effective record keeping and care for residents.

In 2005 there was a trial in which nearly a quarter of all residential facilities in Australia participated, and they found some significant developments through that. This does not come for free, though. There are costs that will be involved with this. These costs will ensure that the level of funding for existing residents will not decrease when they are reassessed under the new Aged Care Funding Instrument. It will provide additional funding for the top levels of the two new supplements, and it will establish a panel of advisers to assist homes to manage the transition—in all, some $393.6 million.

Why is the government making that investment in the system? I think most people in Australia now are aware of the fact that, with the ageing of our population, the number of Australians aged 70 or older is expected to double in the next 20 years. That is going to place a huge demand on our aged-care system, both the residential system and the provisions we make for people to stay at home. That means that we need to invest now, to commit funds now, to make running the system by which we manage aged care as efficient as we possibly can and providing that care for the people who need it as effective as we possibly can.

It is worth pointing out that the reason this government has been able to make this investment, as well as the significant investment of $1.7 billion in aged care in the budget this year, is its good economic management. Having paid down the $96 billion of Labor debt that we inherited in 1996, we now have some $8½ billion of saved interest payments that is providing a dividend to a range of areas, such as education, defence and aged care.

The budget measures this year include the extensive package of reforms called ‘Securing the future of aged care for Australians’. The budget allocated some $1.1 billion to increase government payments for residents of aged care. Overall funding will increase by some $1.3 billion over the next four years, on top of increases for indexation. That includes some $92.2 million in the form
of a transitional accommodation subsidy to offset the changes that we are discussing in this bill.

As I have said, the number of people over 70 is going to double in the next 20 years. That means we also need to be looking for innovative ways to care for people who are ageing and need assistance. That does not mean that we need to be building more homes necessarily, because, increasingly, people are indicating that, where possible, they would rather stay in their own home—or perhaps downsize to a smaller home, but certainly stay in their own community and have that support from family and friends and a familiar environment. So the government, as part of this budget, has increased the availability of aged care in people’s own homes, at the cost of some $411 million.

An additional 7,200 community care places are going to be funded over the next four years, and these places will take our aged-care ratio from the current target of 108 places per thousand people who are aged 70 and over to a record 113 places per thousand people by 2011. This compares with around 93 places per thousand when the government was elected in 1996. In 1996 there were fewer than 5,000 Community Aged Care Packages, and now there are over 40,000. Community care has extended to the provision of high-level care at home. This is significant, particularly for people who are living in regional areas, where the cost of maintaining a residential facility, without the benefits of the economies of scale, is a significant issue for communities.

In South Australia, a range of packages have been made available in this current round and out to 2009-10, and they are going to a fair range of places. Within Wakefield, there are facilities ranging from the very large, such as Domus Operosa, at Burton—which is run by the Italian village and is a magnificent facility—and Resthaven, through to country homes such as Wheatfields, in Freeling, and Indigenous specific homes such as the Aboriginal Elders Village. There is also Mill Court, in Balaclava; the Gilbert Valley Senior Citizens Home, in Riverton; Hamley Bridge, in the Memorial Hospital; and the community hospital in Mallala provides an aged-care facility. A number of these are very small facilities and at least a few are run by the community.

One of the challenges that Australia faces into the future is how we support these communities. I am thinking particularly of the communities in Riverton, Mallala and Hamley Bridge, with whom I have had extensive discussions around the viability of the aged-care homes. In Mallala, for example, the aged-care facility there—Butlers View—is the largest employer in the town. It is also the facility where many people in the community choose to live when they can no longer live in their own home. But the facility is up against it in terms of actually making ends meet. I think that one of the next phases that Australia needs to look at in terms of how we fund aged care is not only how we work with the mainstream in metropolitan areas or large regional areas but also, when it comes to smaller rural communities, how we get alongside these facilities, how we have a funding model that meets their needs so that these facilities can maintain not only the employment but also the focus of families.

One of the options that we have been exploring in Wakefield is how communities can optimise the facilities they have in terms of the building and particularly the staffing to expand the provision of in-home care. I welcome the fact that there are a number of Community Aged Care Packages and the Extended Aged Care at Home packages that have been allocated to South Australia. That is one avenue that I believe we need to ex-
plore more assertively in our rural and regional areas, along with appropriate levels of training, so that we can provide care for people who choose to remain in their homes in our regional towns. I welcome the initiative that the budget brings, and I welcome the efficiencies that this new funding formula and method of funding brings to the aged-care sector. I certainly think we owe it to our communities, and we owe it to those who have gone before us to provide appropriate care for them. I commend this bill to the House.

Mr ADAMS (Lyons) (8.17 pm)—The Aged Care Amendment (Residential Care) Bill 2007 was introduced into the House on 21 March this year. The Senate, on the recommendation of the Selection of Bills Committee, referred it to the Senate Standing Committee on Community Affairs. That committee reported on 17 May and made several recommendations. Labor believe that those recommendations should bring in some amendments to this bill, such as the omission of item 27, which repeals subsection 42-1(4) of the Aged Care Act 1997, and that the Department of Health and Ageing monitor the use of this subsection by aged-care facilities to ensure that it is used appropriately. We have major concerns with that item.

The bill repeals a provision entitled ‘high-dependency care leave’, which allowed more than one residential care subsidy when a resident has to move to another service temporarily—usually to a high-care facility. This provision existed under the resident classification scale—the RCS. Both the submitters and the department acknowledged that it is a little-used provision with fewer than 20 applications a year. The department’s evidence to the Senate committee also suggested that some applications on review may have been inappropriate. However, for a few small, often rural, facilities, the removal of the high-dependency care leave provision may have a significant financial impact, resulting in the potential for residents not being able to return. For this reason, Labor will move in the future to reinstate high-dependency care leave.

The Senate community affairs committee also recommended that the bill be amended to ensure that determinations made by the minister under items 28, 29 and 31 are reasonable and that a safeguard similar to that in section 44-4, which item 32 repeals, be implemented under the ACFI to determine a minimum lower basic subsidy level. In the move from the RCS to the ACFI, the provision to downgrade the basic subsidy by two levels cannot be transferred, due to the changed funding methodology. The bill proposes that the minister can determine the lower basic subsidy when a resident is receiving extensive care in hospital. The residential aged-care sector is nervous that the determination could result in a significant loss of funds. Labor is concerned that the minister may determine a reasonable level of reduced subsidy. The community affairs committee recommended that a review of the new Aged Care Funding Instrument be undertaken 18 months after implementation to assess the implications to all aged-care service providers and ensure that stated benefits are achieved. Labor will look for a formal review within 18 months of implementation of these provisions.

Despite this bill’s attempts to address a more flexible funding regime, there are big problems in the aged-care sector in my home state of Tasmania, and this bill gives me an opportunity to speak more broadly on the issues the bill is attempting to address.

We have many aged and frail languishing in public hospital beds, causing blockages in the public health system. Funding for the aged-care facilities in many areas of my electorate of Lyons continues to fall, leaving many families with few, if any, options for
the care of an elderly relative and, therefore, restricting access to nursing homes that would normally be glad to take them.

Some 3,000 nursing homes across Australia are at this time catering for over 160,000 people, with the demand for care increasing dramatically. It has been estimated that by 2019 there will be a need to provide care for some 970,000 people. This is a factor that the Howard government continues to refuse to recognise. Where do they think these people will be placed? They cannot stay at home, as the funding for home based care is insufficient to allow that to continue safely. Home based care programs are continually suffering from a severe lack of funding and an inability to get quality staff to carry out the care—though many people would rather stay at home under that sort of care. In many cases, families cannot care for their elderly parents or relatives because of other commitments on their time—for example, work and caring for children or a partner. What happened to the promise in 1997, when the Howard government made some pretty significant changes to the aged-care system which it predicted would guarantee positive outcomes for elderly Australians? Those changes never happened. The reforms never actually came into being, leaving a very large sector of the community still waiting to hear how their loved ones could be cared for.

Recurrent funding of aged care is high on the agenda for all providers. Maybe it is time to move to a funding model based on an accommodation component and a care component. It is suggested that there should be separation of these two cost drivers in residential aged care. This could possibly offer the public more flexibility, transparency and community understanding in this service delivery area.

One of the most difficult problems for providers is bed allocation. The application process is yet another failure of the Howard Liberal government. I have been approached on many occasions by providers seeking assistance with their applications. When I have asked the government for information and clarification of the issue, I have always been told that it is commercial-in-confidence or has to do with privacy. It is a competitive process, and it will probably stay that way. In many cases, it has cost providers a lot of money to put together an application. The money spent on the application process would, I am sure, have been better used if allocated to the operations of the residential care facility.

Planning for the care of the elderly appears to be an area of mystery and intrigue. On questioning about planning ratios, the response has always been, ‘That’s the way it was, so we just put it into place more formally.’ With an ever-changing demographic, along with improvements in the health status of older Australians, this area requires far more robust analysis. Aged care requires a well-trained and compassionate workforce. Over the past 10 years the shortage of nurses has become a significant issue, and this must be dealt with as quickly as possible. The number of nurses working in residential care has declined considerably while, at the same time, the community is calling for a diverse set of workers to respond to the individual needs of older people wherever they are living.

There are myths and incorrect assumptions about working in aged care. The allocation of additional undergraduate nursing places in the budget is of course welcome, but it is now our responsibility to ensure the recruitment of more nurses for the aged-care sector. There needs to be more encouragement of personal carers to adopt careers in aged care. The involvement of the medical and allied health professions in aged care is a goal that we all seem to want to achieve, but
the barriers remain. There are access, funding and availability questions that must be addressed. Pay equity is an issue relative to not only nurses but also all aged-care workers. This should be addressed immediately. The conditional adjustment payment to 2007 is not of itself a sustainable solution.

Community expectations are growing very quickly. Families of residents of aged-care facilities and receivers of community care increasingly want to understand the type of care being provided. There will increasingly be an expectation that the staffing level and mix be known and understood by families of people who receive care.

Workforce issues present a challenge that can only be achieved through government and sectoral collaboration around funding, consumer education, training and education, career path development and national leadership. Labor will continue to hold the Howard government accountable for its failure to plan ahead and provide the type of detailed policies that are needed in aged care in particular. Planning for our built communities needs to take into account the overall ageing of the population. This needs to be kept in mind, with clever design and innovative ideas. This brings challenges to the building industry, town planners and governments, particularly local government, in delivering homes and communities that are suitable for the needs of an ageing population.

Some people are likely to choose lifestyle villages, whereas others may choose to stay in their own homes that have been modified with, for example, wider doorways and ramps, and some may need greater care. For those who choose to stay in their homes, there is the significant issue of social isolation. It is here that policy needs to be developed to prevent this isolation from becoming an epidemic in Australia. This isolation often develops because the person may have a disability or may have lost a partner or may have few transport options. Planning must take all of these circumstances into consideration in order to achieve cohesive communities. The importance of older Australians remaining involved in community life and remaining socially connected cannot be underestimated in their maintaining good health, both physically and mentally.

Mr BAIRD (Cook) (8.30 pm)—I rise in support of the Aged Care Amendment (Residential Care) Bill 2007. This bill demonstrates the commitment of this government to aged care in Australia. There is no question that Australia’s aged-care system faces a number of long-term challenges, with the number of Australians aged 70 or over expected to double in the next 20 years. In response to this increase, the federal government has made and is continuing to make the largest ever investment in this essential area.

In my electorate of Cook, in the Sutherland shire of Sydney, approximately 21 per cent of the population is aged 65 or over. I am part of that demographic. I would point out that this percentage is very high, even by Australian standards. When you compare this to the national average of around 13 per cent, you can see why a secure aged-care system is of such importance to my constituents.

Just in the last six months, I have had my own experience with the aged-care system through putting my mother-in-law into aged care. I have found out about the challenges that exist. That is one particular reason why I support the bill. Classification delays the move of people from hospitals into aged care. In the case of my mother-in-law, she lay in a hospital bed for six weeks awaiting classification. This was a hospital bed that could have been used by others. This slowness in the classification of older people’s needs is holding the system back and delaying them entering aged-care facilities. For those who have not experienced the placing
of a loved one into aged care, it is full of challenge and heartbreaking in many ways. That makes it all the more important to look at the aspects of this bill.

I was extremely pleased to see in the recent federal budget that this government has delivered even further assistance to older Australians. The most notable investment has been the $1.5 billion securing aged care package, which will help older Australians stay in their own homes as well as further assist our aged-care facilities. This record investment is having a profound impact on the quality and availability of aged care in the Sutherland shire. As you can guess by the demographics that exist in my electorate, whether one has the ability to stay in one’s home is an oft asked question. In the last financial year, two aged-care providers in my electorate received funding for a total of 44 residential places worth an estimated $1.6 million. Amenity, in Sutherland, and Juliana Village, in Miranda, received the funding for these 44 places, with 32 of them being for high care and 12 for low care. Fifteen places have been particularly reserved for war veterans and another 20 for dementia patients.

I have regular community consultations on Saturday mornings. I write to people in the area and ask them to come up and see me if they have issues. Finding beds for parents with dementia must rank in the top five issues that people raise with me, so I am very pleased that these additional dementia care beds have been made available. There is also provision in this funding for six places for people of a non-English-speaking background. While that is very welcome, I will point out that 93 per cent of my electorate is Anglo-Celtic in background.

The Australian government is committed to delivering world-class aged care in the Sutherland shire. I was recently able to attend the opening of the Woolooware Shores aged-care complex, a real five-star complex. This is a new complex servicing the shire. The government is funding 119 low-care residential places there. These places in Cook form part of a national allocation of $208 million and 7,815 places for residential and community aged-care places to be funded by the Commonwealth this year. I am sure that with this kind of investment residential places will continue to increase as further funding rounds are announced. Aged care is a major concern for seniors and their families in my electorate and these funding boosts certainly provide them with some peace of mind for their future.

Because of this government’s strong economic management, the 2007-08 budget was able to deliver even further assistance to older Australians. My electorate office has received a lot of enquiries from pensioners who will now qualify for one-off bonus payments of $500 for individuals and $1,000 for couples. This financial assistance will alleviate some of the costs associated with staying at home and running a household on the pension. While this kind of payment may help those in immediate need of financial assistance, the government recognises that it is important to also invest in medical research for the future. We are continuing our strong support for carers. For those who are receiving the carer allowance, we are providing a one-off bonus payment of $600. This is the fourth successive year we have paid the bonus to carer allowance recipients. Also, in July this year, the veterans’ special rate disability pension will increase by $50 a fortnight. The government will also make one-off payments of $25,000 to Australians who were prisoners of war in Europe. I have a large number of returned soldiers from the war in Europe in my electorate, so that will be received very well. These measures were all announced in the recent federal budget.
While we are intent on securing the future of Australia’s aged through these provisions, we are also looking at ways in which our existing system may be improved. The bill before the House represents our commitment to ensure that all Australians benefit from a secure, fair and accessible aged-care system. It is about looking at the way our system functions and making the necessary changes to ensure aged care is better targeted towards the needs of seniors and is not held back by unnecessary components which simply tie up the time of those working within the aged-care sector.

In 2004, following the recommendations of the Hogan report, this government announced it would review Australia’s funding arrangements for the delivery of aged care. Through these amendments this bill aims to replace the existing Resident Classification Scale, or RCS, with the improved Aged Care Funding Instrument or ACFI. The ACFI will improve the delivery of aged-care services through better targeting of funding towards the care of residents with higher needs. It will also reduce the amount of documentation and paperwork completed in residential aged-care facilities solely for funding purposes.

With the current challenges facing our aged-care system the last thing we could afford to do is allow it to become bogged down in unnecessary administration. These unnecessary costs are evident in our reappraisal system as they currently stand. Under current conditions a resident’s classification for funding will expire after 12 months, and after this time a reappraisal will be required. Aged-care providers say this unnecessarily ties down the administrators of the aged-care facilities and prevents them from doing other things, and, of course, they never know quite where they are going with the funding that is likely to occur. Last year 60,000 reappraisals were processed with no change in the funding amounts—that says it all. If you do not change it, why bother to go through it every 12 months? This means that 60,000 forms were filled out and processed by providers and staff working within our aged-care system. There is no doubt that we are much better off having these people involved in providing facilities for our older Australians rather than in completing forms.

To eliminate the need for unnecessary reapraisals, a standard ACFI classification will not expire. Instead, providers will be given the option to reappraise a resident after a 12-month period. In addition to this, residents entering aged-care facilities straight from hospital will be reappraised after six months. This is in recognition of the fact that their needs may change more quickly than other residents. It is a much more sensible system that will save time and will better target funding towards the care of residents with higher needs. The bill will also limit the amount of unnecessary administration by allowing residents to relocate from one residential facility without the need for reappraisal. Last year 12,000 residents moved from one aged-care home to another. Under current conditions, when a resident makes this move their funding classification will expire. It makes sense that under these arrangements the classification will continue.

Another way we can improve the performance of our current system is by removing any unnecessary components which may become obsolete. This can be said about the current provision which allows more than one aged-care home to be paid a subsidy for the same resident when a person is on high-dependency care leave. Now that the age-in-place provisions allow residents to move from low care to high care within the same home, this subsidy is very rarely used. This bill proposes that under the new ACFI system this type of leave will be removed due to its lack of relevance and low intake.
The government wants to encourage providers to improve their process of assessment. This is why the secretary is currently able to suspend providers from appraising residents for funding purposes if they repeatedly fail to conduct their appraisals in the appropriate manner. The problem with this provision is that it locks qualified providers out of our system when we cannot afford to do so. These amendments will allow the secretary to stay any suspension of a provider, subject to meeting certain obligations. It means that providers will stay in our system while at the same time being required to improve their internal assessment processors. This amendment allows the secretary greater flexibility to encourage providers to conduct appraisals and reappraisals properly to avoid suspension coming into effect.

Overall, the ACFI has been designed to streamline the current classification system for the delivery of aged care. Amendment trials have been a success. They were trialled in 2005 with a 23 per cent participation rate. The results were very positive, and most residential centres reported time saving under these provisions. There was a greater level of agreement between the providers’ assessments of residents and those of external assessors. The government has provided an additional $393.5 million over four years to assist homes with the change to the ACFI system and, judging by the results of the previous trials and my own assessment of these amendments, it will be money very well spent.

In these provisions we have sensible changes. Instead of the constant reassessment of those in nursing homes, once their classification has been achieved it will stay in place—except for those who come out of hospitals, who will need to be assessed after six months. It is sensible, it is appropriate, it will stop the unnecessary administration and it will ensure that nursing homes spend their time on what they are paid to do and what we want them to do, which is looking after our aged-care recipients, instead of on unnecessary administration and form filling. This bill is certainly long overdue, and I commend it to the House.

Debate (on motion by Mr Georganas) adjourned.

APPROPRIATION BILL (No. 1) 2007-2008

Report from Main Committee

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

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr ANTHONY SMITH (Casey—Parliamentary Secretary to the Prime Minister) (8.43 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

APPROPRIATION BILL (No. 2) 2007-2008

Report from Main Committee

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

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr ANTHONY SMITH (Casey—Parliamentary Secretary to the Prime Minister) (8.44 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 1) 2007-2008

Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of the bill presented.
Ordered that this bill be considered immediately.
Bill agreed to.

Third Reading
Mr ANTHONY SMITH (Casey—Parliamentary Secretary to the Prime Minister) (8.45 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

APPROPRIATION BILL (No. 5) 2006-2007

Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of the bill presented.
Ordered that this bill be considered immediately.
Bill agreed to.

Third Reading
Mr ANTHONY SMITH (Casey—Parliamentary Secretary to the Prime Minister) (8.46 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

AGED CARE AMENDMENT (RESIDENTIAL CARE) BILL 2007

Second Reading
Debate resumed.
Mr GEORGANAS (Hindmarsh) (8.47 pm)—I rise to speak on the Aged Care Amendment (Residential Care) Bill 2007. The bill will amend the Aged Care Act 1997 to introduce a new arrangement for allocating subsidies in residential aged care. The aged-care funding instrument is designed to reduce the amount of documentation generated in aged-care facilities which is used to justify the funding classification for each resident.

Aged care is an important issue that needs to be addressed, of course. A reduction in paperwork for aged-care staff is welcome, as it will allow for the resources in aged-care facilities to be concentrated on looking after residents. At many of the aged-care facilities that I have visited over the years as a candidate and as the member for Hindmarsh, one of the things that has come across from the providers of aged care is that too much time is spent on paperwork and not enough time on care of the aged. So this bill is welcome in that it will ensure that providers can spend more resources and time on looking after the people in those aged-care premises and will relieve providers of the mountains of paperwork—the No. 1 issue for aged-care facilities in my electorate.
It is also essential that aged-care providers have the information about the levels of funding that each classification level will attract so they can assess the impact of the new instrument on their operations. Currently, there is a variation between classification scales, making it difficult for providers to evaluate income streams.

The electorate of Hindmarsh is demographically the ‘oldest’ electorate, with over 20 per cent of the population aged over 65. As these residents approach their twilight years, some will seek accommodation in aged-care facilities or community care through an aged-care package. It is important that the aged-care system is simplified for the residents of Hindmarsh—and in fact the aged all around Australia—and their carers. The aged-care system is continually plagued by underfunding, which has led to a shortage of aged-care packages and aged-care beds in recent years, leaving many elderly Australians on waiting lists for care.

We know that the best solution for people when they reach those twilight years is to remain in their own homes, with adequate care, if they are able to. But here we are talking about the older Australians who have no option—those who, because of their health and many other issues that affect their day-to-day living, have no choice but to go into an aged-care facility. So we are not talking about people staying in their own homes, something the government constantly raise when we raise the subject of aged-care beds; this is about people who need adequate care because their health has deteriorated, no amount of home or community care would be enough to assist them and they actually need a nursing-home bed. That is who we are talking about in this instance.

The government has not satisfactorily addressed these shortages within the aged-care industry. Aged care should be affordable. Rod Young, CEO of the Aged Care Association Australia, this year pointed out that the government’s current aged-care package was flawed, as it removed funding which could have made aged care more affordable. He stated in a media release earlier this year, in February:

In the light of these flaws, aged care providers are struggling to understand how the Government can claim that the package will achieve its main objective of solving the capital requirements of high care nursing homes.

He also declared:
Quality, choice and affordability will not be delivered to older Australians, as promised by the Government, unless the new arrangements are accurately costed and fully funded.

Even after over a decade in power, this government cannot seem to provide sufficient funds to address the problems in aged-care affordability. The objects of the Aged Care Act 1997 talk about accountability of the providers of the care for the funding and for the outcomes for recipients. This government has constantly shied away from fixing the corruption and poor management of many aged-care facilities. There is a longstanding problem of an underskilled and understaffed workforce in aged-care homes. We know that the workforce in aged-care homes is one of the most rapidly ageing workforces. That brings with it many issues such as the type of work that is done in aged-care homes by this ageing workforce. Obviously, in physical terms, workers themselves would be struggling to cope with the work and the aged-care profession has one of the highest incidences of injury of all workforces.

Recently five people died of gastroenteritis from salmonella poisoning in an aged-care facility in Broughton Hall, Victoria. After hearing of the tragic deaths of these people, the minister proceeded to play the blame game, as we often see in this place, whether it be dental care, aged care or water. They
continue to blame anyone else but themselves. It should have been a wake-up call that minimum staff numbers were needed and higher training standards put in place, but the minister instead blamed both the state government and the staff. The minister acknowledged:

... the staff didn’t have the necessary skills to be able to gauge whether incontinence in a resident, for example, was a result of a laxative being applied or gastroenteritis.

However, the minister did not take responsibility for the government’s underfunding for qualified and trained staff. When homes need to meet shortfalls in funding to provide basic care for residents, staff—the most expensive outgoing within the industry—are the first to be made redundant. We have seen this time and time again. Broughton Place received federal government accreditation for three years in mid-2006, even though there were findings of inadequate cleaning standards. You would have hoped that the government would have learnt from the scandal in 2000 where some 57 residents of an aged-care home in Melbourne were given kerosene baths, inappropriately used to treat an outbreak of scabies. Instead, they ignore the undertraining and just pass the blame when ‘embarrassing’ events such as these occur. One of the objects of the Aged Care Act is:

... to promote a high quality of care and accommodation ...

This government cannot even get enough beds to meet the requirements of our ageing citizens, let alone to fix the standards. I have many examples of constituents in the electorate of Hindmarsh who have parents, their loved ones, mothers and fathers, who are in perhaps a public hospital waiting for an aged-care bed so that they can be looked after in their twilight years. They may find a bed at the other end of the world. In other words, they are in Hindmarsh but they may find a bed in Gawler, for example, in the member for Wakefield’s seat, approximately 30 to 40 kilometres away. This is no good for those people who want to stay within their community and have people visit them. Perhaps their only next of kin is their son or daughter. Obviously, this is not good enough.

The government will claim that they have lots of aged packages for home and community care and that is fantastic, but we are talking about people who need to go into a nursing home because no matter how much care they receive at home it will not be enough because their health issues far outweigh that care. According to the government the operational ratio of residential aged-care beds in each aged-care planning region in Australia should be—this is the formula that the government uses—88 beds for every 1,000 people aged 70 years and over. The June 2006 stocktake of residential aged-care beds in Australia showed the undersupply of 287 beds in areas covering the federal electorate of Hindmarsh. This comprises parts of metropolitan south Adelaide, which was 184 beds short of the operational ratio, and the metropolitan west, which was down by 131 beds. What the target ratio is and whether or not this ratio has been reached is only statistical jargon to many residents in Hindmarsh. It is, however, the reality that they may not be able to find satisfactory accommodation and care that impacts on their daily lives.

It is shocking to know that the worst affected by these shortages are the most vulnerable in our society. Regrettably for all Australians the government has not met its own benchmark for aged-care beds. For all the minister’s promises, the demand for beds within Hindmarsh has not been met and the number of beds has actually fallen by 28 since December 2005—10 per cent in less than one year. In 11 long years, the Howard government has managed to turn a national surplus of 800 aged-care beds in 1996—on
that formula that I mentioned earlier of 88 beds per 1,000 people aged 70 and over—into a 4,613 shortfall by June 2006. We are going backwards under this government. This is just not good enough especially in a society that is ageing very quickly. When we go back to 1996, we see a surplus in the number of aged-care beds provided under the current formula of 88 beds per 1,000 people aged 70 and over. Today, with the same formula, we are going backwards at a time when the population is ageing at a fast rate. That is not good enough.

The minister will argue that the government has increased the numbers of community packages. That is a good thing. We want more people to stay at home. No-one is arguing about having people stay at home. I hope, if I get to that age, that I can stay at home. Labor supports and welcomes the provision of community care.

Debate interrupted.

**ADJOURNMENT**

The SPEAKER—Order! It being 9.00 pm, I propose the question:

That the House do now adjourn.

**Shortland Electorate: Survey**

Ms HALL (Shortland) (9.00 pm)—As we are approaching the end of the autumn session of parliament, I thought I would take this opportunity to share with the House an overview of the concerns that have been raised with me by constituents in the Shortland electorate this year.

Earlier this year I sent a survey to residents in the Shortland electorate and I have had an overwhelming response. I have received well over 3,000 responses to the survey. Later in the year I will provide the House with a detailed analysis of this survey, but at this stage I think I can say that health issues such as a shortage of doctors—little wonder, considering that doctors in the Shortland electorate in the suburbs of Belmont and Swansea have closed their books, as have many other doctors on the Central Coast—bulk-billing and Medicare, along with a federally funded dental health scheme and better aged-care facilities, figured as very prominent issues.

Not surprisingly, as I have already mentioned the shortage of doctors is a big issue. Because of this enormous shortage, one way doctors manage their workload is not to bulk-bill, and the Shortland electorate is one of those electorates where there is a very low bulk-billing rate. In addition, one of the first acts of this government was to close the Belmont Medicare office. The fact that we have a shortage of doctors and very few doctors bulk-bill also has enormous implications for the accident and emergency department at the local hospital.

The dental waiting list in the Shortland electorate is enormous. Some people have been waiting for over 10 years to get dental treatment. I think the government’s response to dental health has been abysmal. Once again, one of the first acts it performed after being elected in 1996 was to get rid of the Commonwealth dental health program.

The Shortland electorate is one of the oldest electorates in Australia. It has the 10th oldest population of all electorates, and it has a shortage of aged-care beds and a shortage of aged-care packages. There are some areas in the Shortland electorate that have no aged-care packages whatsoever.

Constituents in the Shortland electorate also rated highly their concerns about the government’s workplace changes, petrol prices, interest rates and education funding, along with jobs and protecting the environment. In other words, they gave the government an F in these areas. Of great concern to residents in the Shortland electorate are the workplace changes—the implications that
AWAs are having and the fact that penalty rates, overtime, pay and conditions are being affected. These concerns were expressed, along with the fact that petrol prices are increasing and interest rates have gone up four times since the last election. They were also concerned about the general cost of living. Each and every day people are paying more for everything they buy.

They are concerned about education, particularly access to TAFE and the funding of our schools, along with the skills shortage and the fact that it is very hard for young people to actually access apprenticeships in an area that has a very strong commitment to and connection with apprenticeships. Climate change and the shortage of water, particularly on the Central Coast of New South Wales, are also issues of great concern to the people I represent in this House.

Another concern is the cost of living and the gap between those who are wealthy and those who are battlers, which is 80 per cent of the population. They are doing it really hard. Television, radio and mobile phone reception was another concern. It is abysmal in parts of the Shortland electorate. I have also received ongoing complaints about access to broadband.

The people of Shortland have not been duped by the government’s decision to come to the party on so many issues just before an election. The people of Shortland are good people. They are understanding and patient people, but they are very disappointed with a government that only thinks about them when there is an election around the corner. It is the only time that this government pays attention to the people of Shortland. It is a strong community, as was demonstrated in the recent storms. (Time expired)

**World Blood Donor Day**

Mr HENRY (Hasluck) (9.05 pm)—On Thursday, 14 June, in order to celebrate World Blood Donor Day in Australia, politicians of all persuasions were encouraged to show their true colours by giving blood to help the Australian community in the annual Prick-a-Pollie challenge. I was very pleased to see the member for Watson, who has just come into the chamber, share that opportunity with me. I was a little disappointed that we did not have many more members from both this House and the other place donating blood on this very important occasion.

This day is an annual event designed to recognise and thank the millions of people around the world who donate their blood on a voluntary, unselfish and unpaid basis to help save the lives and improve the health of others. This year, the theme for the day was ‘Safe Blood for Safe Motherhood’, designed to highlight the lifesaving role of safe blood transfusion in maternal and perinatal care. It will also introduce a new World Health Organisation initiative to improve the timely availability of safe blood in health facilities providing emergency obstetric care, particularly in countries with high maternal mortality, and on measures to reduce unnecessary transfusions.

In 2000 the United Nations estimated that, worldwide, there were more than 500,000 maternal deaths. However, most of these deaths have been medically preventable for decades as treatments to prevent such deaths have been well known since the 1950s. This, coinciding with approximately 17 per cent of pregnant women in Australia requiring blood products to ensure they have a healthy pregnancy, is just one example of why having improved access to safe blood transfusion is essential to help prevent death and to improve the health of millions of women and their newborns.

The day is designed to encourage more people to become voluntary blood donors and to underline the importance of regular
donation to prevent blood shortages. One simple blood donation can save the lives of up to three people. Millions of people owe their lives to people they will never meet, people who donate their blood freely and willingly.

Australians are proud to have one of the safest blood supplies in the world. This would not be possible without Australia’s voluntary, non-remunerated blood donors. Startlingly though, only a very small proportion—around three per cent—of people give blood; however, at some stage in our lifetime, one in three of us, 30 per cent or more, will need blood.

The government’s Flood report released in December last year estimated that demand for blood would more than double in the next decade alone. The Flood report makes it very clear that if more Australians do not become blood donors we run the risk of not meeting the needs of our own community.

However, I would like to personally thank the 7.4 per cent of people living in my electorate of Hasluck who are currently blood donors. This is over double the average number of blood donors nationally. If we could nationally achieve this same percentage shown by the considerate, thoughtful and generous constituents of Hasluck we would be well on our way to achieving the needs of our own community.

For those people who have not donated before, including my many parliamentary colleagues both in this place and the other, I encourage you all to give blood because the need for blood never stops. With many thousands of people needing some form of blood or blood product during 2005-06, you can be sure that someone needs yours.

The people who give blood are united by their generosity and the desire to give something back to the Australian community and for that I applaud them. I believe there are some 500,000 selfless volunteers, who every year in Australia give freely of their blood to ensure the wellbeing of others.

I would also like to take this opportunity to recognise the hardworking nurses and volunteers that support the Australian Red Cross Blood Service and the many blood donor centres across Australia. In Western Australia there are some 11 donor centres in all, and the one that I have attended, the Cannington donor centre, is located at the Carousel shopping centre. I would like to say a special thank you to the nurses and volunteers who man that centre as they make each visit such a pleasure. Since the financial year 2005-06, the Australian government has been a significant financial supporter of this wonderful service, providing some 63 per cent of its annual operating costs, with the states and territories providing the balance.

**Workplace Relations**

Mrs IRWIN (Fowler) (9.09 pm)—As we all know there are three great lies. The first of those is: ‘I’ll still respect you in the morning.’ The second great lie is: ‘The cheque is in the mail.’ Of course, the third and biggest lie is: ‘I’m from the government. I’m here to help you.’ And that is the great lie that the Minister for Employment and Workplace Relations is using to try to rescue this sad and sorry government from the annihilation that awaits it at the next election. But the Australian people stopped believing that lie a long time ago. No matter how many millions of dollars this desperate government spends to try to reassure the voters that they will have fairness in the workplace, the voters know that the scales of workplace fairness have been tipped too far in the employer’s favour and no amount of window-dressing will ensure the rights of workers in their workplaces.

Here we have a government promising to go over the AWAs since the 7 May with a
fine-tooth comb and decide once and for all whether the agreement is fair. At the moment we are seeing 10,000 AWAs signed each week. Of course we could take the simple view and assume that many of these agreements are template agreements, as we saw in the hospitality industry—that is, they follow a pattern, they are all the same and only the name on each one is different. But then that would not be an individual agreement. I am left to ask how this battalion of public servants is going to test every single AWA for fairness.

I will give the House an example of an agreement gone wrong, and the consequences for the worker involved. Take the case of a part-time worker in retail who is employed three days a week at $20 an hour for $420 a week or around $21,000 a year. It is not uncommon to be required to work every second Sunday where the award requires double time payment for Sunday work—that is, 24 Sundays at double time. That would add $3,300 a year to that worker’s income, taking the total to $24,300 a year, and that works out at $24 an hour. So it would take a $4 increase in hourly pay to make up for the loss of penalty rates on Sundays. Again, I would have to ask how many AWAs would include an increase in hourly rate of pay like that. But if an AWA is to pass a real fairness test it would have to give that increase.

The loss to workers currently covered by awards that provide penalty rates for weekend work is often a significant proportion of their annual wage, and we do not know what the fairness test is. We will not find out whether the assessor takes into account the loss of overall income as a result of the loss of penalty rates and, of course, there will be no review of the decision taken. It does not matter how you set up the Office of the Workplace Ombudsman or how many inspectors the ombudsman has, when you do not have a fair bargaining process in the first place you cannot get a fair outcome. With a public servant to just rubber-stamp agreements, you do not have a safety net; you have a pit of vipers.

There is a lot of expensive advertising and lots of soothing words come from the minister, but the government just cannot get its message through. The fact is that Australian working families do not trust the government anymore, but we have the daily spectacle of the minister for workplace relations—‘Joe the Fruiterer’, I am calling him; he has everything except the leather apron—trying to sell us that basket of rotten apples we see in the commercials. But Australian working families are not buying it, and who could blame them? They can smell a shonky deal a mile off, and smiling Joe the Fruiterer will be left with that basket of rotten apples, Work Choices. The Prime Minister’s dream has become the workers’ nightmare. Bring on the election, I say. The people of Fowler want the election as soon as possible, and Australia definitely needs a Rudd Labor government.

Broadband

Mr FAWCETT (Wakefield) (9.14 pm)—I rise to address the House tonight about the issue of broadband. Many people in Wakefield have enjoyed broadband for a while, but I have to say there are also people in Wakefield who have been waiting far too long for broadband. As a member of the government, I say that because there are issues involving the infrastructure in the ground, the pair gains or the distance from the exchange for rural communities, as well as for outer metropolitan communities, which have led to people not being able to access broadband. This has had an impact on students and small business, and a range of activities, including medical practices and companies that have sought to operate in regional towns.
Over the years, the government has spent an amount of money which has enabled many of these people to be connected through different technologies. I particularly welcome the Australian Broadband Guarantee program that for the first time has allowed everybody in Wakefield this year to have broadband via satellite at metro-comparable prices. I have had very good feedback from a number of people who have taken that up.

Today, in particular, I welcome the announcement about Australia Connected. The service will provide infrastructure for broadband that will sustain the residents of Wakefield and their wide range of uses in the future. The government is going to spend $958 million on this network and the funding will be complemented by $917 million from the network builder OPEL, which is a joint venture between Optus and Elders. In addition to the high-speed wireless broadband network, many households and small businesses will also enjoy the world-class optic fibre network which is being provided by this consortium. At between 20 and 50 megabits per second, this new fibre network is faster than anything currently available, and will be rolled out in Australia’s capital cities and major regional centres.

Members opposite have talked about fibre to the node, but the reality is that there will still be people, even with a fibre network installed, who will not be able to access broadband. They will still be limited by that pair gain technology or, if out in the country, will often be prevented access by those last miles to the house. That is why I welcome the fact that this government program has not only the optic fibre network but also WiMAX and satellite connections.

In Wakefield, we will see a number of exchanges upgraded to ADSL2+, which will deliver speeds up to 20 megabits per second. I particularly welcome that in Gawler, Gawler River, Roseworthy, Two Wells and Virginia. People in Wakefield who live adjacent to the Barossa towns of Nuriootpa and Tanunda will also benefit from exchanges that will be upgraded with ADSL2+. Residents in Balaklava, Clare, Kapunda, Saddleworth, Virginia, Angle Vale, Gawler, Undalya, Wild Horse Plain and Owen will all benefit from WiMAX towers, which will be located in their areas. This program will give them, for the first time, the ability wherever they are living in Wakefield to access high-speed, quality broadband. This is an investment in the future that enables people to plan with confidence for their IT needs.

I think it is important to compare the options that the Australian community have for broadband. Industry commentators believe that the options put forward by the opposition will only reach about 75 per cent of Australians. So residents in Wakefield and in places like Yattalunga probably would not access the service which will be provided in the ALP’s plan. Compare that to the 99 per cent of people who will be serviced by this government program and the remaining one per cent by the Australian Broadband Guarantee program. The completion date under the ALP’s promise is 2013 whereas this roll-out will start immediately and will be complete by mid 2009. By September this year, people in Wakefield should be able to connect to this WiMAX system and enjoy the ADSL2+ exchanges. I welcome this initiative from the Howard government.

Scullin Electorate: Youth Survey

Mr JENKINS (Scullin) (9.19 pm)—Early this year, in National Youth Week, I launched the first ever Scullin youth survey. The survey arose out of the work of the Scullin youth advisory committee, which I set up during an earlier National Youth Week. The members of the committee thought that a
survey which indicated those things that young people thought important would be the best way of reflecting the needs of young people in the electorate of Scullin. Six hundred and sixty-one young people participated in the survey. Of interest, the results showed that 79 per cent of respondents indicated that they had some form of paid work, 52 per cent of those that had employment indicated that it was on a casual or part-time basis and 56 per cent of respondents indicated they were undertaking some form of educational activity. Another interesting aspect of the survey was the question of unions. Whilst only 23 per cent of respondents indicated that they were members of unions, which is about the national rate—

Mr Hardgrave—That’s a bit high.

Mr JENKINS—It was very high if you look at the number of people who were actually in the workplace. But the very important question was that 64 per cent supported the role of trade unions in Australia’s workplaces. The other aspect that I found slightly surprising—but I think that, on more mature reflection, I can understand it—was that when asked who they would turn to if they were having personal problems, 95 per cent of the young people said they would turn to parents, relatives and friends. I think that that was a reflection of the fact they do not use community agencies or the internet and they do not use other services that are available. Importantly, I think this is an indication of where we should filter messages that we wish to get through to young people about where they should turn for assistance through those primary sources of information. Any campaign that actually targets youth, quite obviously should be empowering parents, relatives and friends to assist young people when they seek assistance.

As you know, my electorate is a very diverse electorate and that was one of the things that young people indicated that they liked. Comments about what they liked or disliked about their area included: ‘It’s a good community’, ‘Poor public transport to city, it’s slow and overcrowded during peak time’, ‘I like all the different people and the services available’ and ‘Diversity of the nationalities and the general friendliness’ compared to ‘Isolated, too far from city and bad public transport.’ When asked what they would like to see changed or improved in their local area, they said: ‘More public transport, for instance bus stops’, ‘More events/locations for people to hang out with peers’, ‘There is a need for more job opportunities locally’ and ‘More activities for young people that promote harmony and friendship.’

The other aspect was that they indicated that employment was very important. They also indicated the issues that were most important to them. When we looked at the four most important issues, they were health—by a street; education; employment; and family. Thirty-eight per cent indicated that the most important issue was health—physical and social. Comments were made such as: ‘Health and wellbeing is vital to happiness’ and ‘Health and wellbeing is important for quality of life.’ When talking about education: ‘Education is necessary for employment and career development’, ‘Education provides me with better job opportunities’ and ‘Education is knowledge.’ Employment was not just about the economic basis of employment. Comments were made such as: ‘Employment is important for personal finance and confidence.’ When talking about families, comments were made such as: ‘I believe family is the building block of a good society.’ Other comments were along the lines of: ‘Family, togetherness and support is part of wellbeing.’

Of interest on the question about unions—and, in fairness, in the survey we published
both the positives and the negatives—there were negative comments such as: ‘Unions are a form of politics. I’m not interested’, ‘Unions aren’t really relevant in my chosen career’ and ‘They never helped me in the past.’ But those comments have to be balanced against: ‘They are the representatives of workers’, ‘Unions make sure industry standards are maintained’, ‘They ensure everyone is treated fairly and equally’ and ‘Unions help balance work commitment and assist with problems that may arise.’ And, perhaps from somebody who has been paying attention to campaigns that are going on, one comment was: ‘They fight for my rights at work.’ (Time expired)

**Industrial Relations**

Mr **HARDGRAVE** (Moreton) (9.24 pm)—I have listened to the member for Scullin, and the simple reality is that only 15 per cent of people in Australia are members of trade unions. In the real world, what is going on now is that the people of Australia have a choice between now and the election: to make a decision about whether they want to vote for a ‘no ticket, no start’ regime or, indeed, to allow freedom and liberty to continue to reign supreme in the way Australia operates. What is fair about a workplace where you cannot be sacked if you steal from your boss but you can be sacked if you do not join a trade union? This is the sort of Australia that the Labor Party delivered when they were last in office and the sort of Australia they would deliver again if they were given a chance. They have not yet even convinced their own support base—the heart of their support base—about the legitimacy of their claims against the government’s pro-choice workplace arrangements. Twenty-eight per cent identified by the Sensis survey last week said that they believed they might have a negative result from Work Choices. Fifty per cent said there would be no change, which I imagine leaves 22 per cent who saw themselves being advantaged. I am a fairly pragmatic and practical sort of bloke and I would reckon that the 72 per cent are probably reading it right. But, regarding the 28 per cent, surely it is easy for those opposite to understand that they do not even represent what Labor would pretend is their base vote.

The unions continue to seek solace in the state public servants in my electorate and continue to tell them that state public servants—nurses, policemen, teachers and people like that—will be forced into some circumstance of change, when it is quite simple that the masters of their destiny are state governments. I know that, once the election is out of the way, state governments will have to consider whether or not adequately rewarding people with skills and ability with private agreements is the way to go or whether or not the amount of time people remain in the workplace will be due to the way in which they continue to be paid. Good teachers are leaving the teaching system in droves. In fact, the Queensland government are paying bad teachers $50,000 to leave and yet they are complaining about the Australian government’s ambition to pay a $5,000 bonus to good teachers.

What I find particularly offensive is what is actually going on right now in my electorate, and electorates like it right around the country: people are being manipulated, phone-polled, infiltrated, doorknocked by members of the ACTU through their six-steps political strategy manual—

Mr **Burke**—Do you doorknock, Gary?

Mr **HARDGRAVE**—I doorknock all the time and I talk to people, but, you see, I am actually elected by the people of Moreton to represent them and work with them. The difficulty, though, is that the trade union leadership in Melbourne have decided to allot a campaign team to coordinate, in a cynical way, a number of things. They want to iden-
tify people who live in target seats—that is step No. 1. They want to identify undecided voters—actually drilling down, finding out how people voted and how they feel about things. There is not much push-polling going on there! Of course, they want to make sure that, once they have identified those people, they follow up with potential activists and target certain seat campaign supporters. Of course, we know how the Labor Party are good at targeting people and we certainly know how the union movement have targeted small businesses in the past. What was the line some years ago: the only small business the union movement has ever opened is with a sledgehammer? Step 4 is to register the members who have not enrolled to vote. There was the sleazy view that, because the government has worked to ensure the integrity of the electoral process, with changes which began in April, the Labor Party, the unions, saw an opportunity to enrol the votes of people who might slip through the not quite capable system that was in place—the system that we, of course, have tried to change to ensure integrity.

Step 5 is to systematically contact undecided voters. I warn people in my electorate that June-July is the period for the next call, and there will be another call in September, and then they will doorknock during the election period. So how will you feel when our friends from the union movement front you at your door, in the middle of dinner-time, saying: ‘Righto, brother, we know how you voted last time. We’ve done the check. We’ve factored it all back to the ACTU and they’ve told us to come and give you a little visit to tell you how to vote.’

I long for a return to the time when advocates for local electorates were chosen from the community, not from some Tammany Hall style politics, which is what the ACTU have re-introduced to Australia. The Labor Party need to stand away and distance themselves from this style of political thuggery, because Australians do not want the union movement back into their lives, as Rod Cameron said the other week. Labor ignored him. He is just another pollster, just another voice in the wilderness. I’ll stand on the side of people in my electorate to make their own choices. (Time expired)

Sheik Fehmi Naji el-Imam

Mr JENKINS (Scullin) (9.29 pm)—I take this opportunity to congratulate Sheik Fehmi Naji el-Imam on his appointment by the National Imams Council earlier this month to Mufti of Australia. Sheik Fehmi is a constituent of the electorate of Scullin. I forgive him that he is a Carlton supporter, like the parliamentary secretary at the table, Mr Anthony Smith. I am not sure whether or not Sheik Fehmi took his family along to watch the member for Casey in the little league. Sheik Fehmi is simply a good bloke. He is somebody who anybody in this chamber would be proud to say is a constituent of their electorate. I wish him well in his new role. I know that he is the face of the Muslim community that we really need to see.

The PRESIDENT—Order! It being 9.30 pm, the debate is interrupted.

House adjourned at 9.30 pm
Monday, 18 June 2007

The DEPUTY SPEAKER (Mr Jenkins) took the chair at 4.00 pm.

The DEPUTY SPEAKER—Order! There not being a quorum, the chair will be resumed at 4.04 pm.

Sitting suspended from 4.00 pm to 4.04 pm

COMMITTEES

Economics, Finance and Public Administration Committee

Report

Debate resumed.

Dr EMERSON (Rankin) (4.04 pm)—It is with considerable pleasure that I speak today on the report of the House of Representatives Standing Committee on Economics, Finance and Public Administration entitled Servicing our future: inquiry into the current and future directions of Australia’s services export sector. Its origins were a conversation that was held when we were looking for a future inquiry. I acknowledge the cooperation and support of all committee members in agreeing to do an inquiry which essentially came under the banner of looking at the future of both the services industries and manufacturing beyond the resources boom.

The purpose of the inquiry was to assess whether we should take a completely hands-off approach and allow, after the resources boom tapers down, the operation of exchange rate and other market variables to bring about the necessary economic changes that would in time boost the competitiveness of our services industries and manufacturing, as the textbooks would suggest. Alternatively, we were to assess whether there might be some active government policies that could be applied to prepare Australia, in particular the manufacturing and the services industries, for life beyond the resources boom. My thanks go to all members of the committee who thought this was a good idea. Today we have one instalment on all the hard work that was done. The other, which relates to the future of the manufacturing sector in Australia, will be tabled in the not too distant future, as I understand it.

As the chair points out in this report, around 75 per cent of the nation’s gross domestic product is produced by the services economy and 85 per cent of employment is provided by our services industries, yet our services exports account for a little over 20 per cent of total exports. There is therefore some genuine capacity to lift our services industries’ export performance. It may not necessarily or even desirably get up to 75 to 85 per cent, but one dimension of the report is some recommendations on how we might lift the services industries’ exports.

Labor is pretty pleased with this report. I do not want to make this a highly partisan comment, but recommendation No. 2 is for the government to create a minister for the services sector and, as I am in fact the shadow minister for the services economy, we are in there early on that score. If Labor were to be elected at the next election, that commitment would be carried through very early on.

I will not spend too much of the time available on each of the recommendations. They are there for all to read. But I would like to point to a number of them. Recommendation No. 3 is
in some senses controversial but nevertheless very worthy. We have suggested the establishment of a program of permanent migration, to address shortages in lower skilled positions in industries such as hospitality and tourism, and also the provision of incentives for Australian and overseas workers to move to rural and regional areas where skill and labour shortages are severe.

We think that is a better way of going than changing the designation of, for example, 457 visas. This country is going to have ongoing shortages of labour. The challenge of the ageing of the population means that for every older Australian there will be fewer Australians of working age. The government has lifted the immigration intake over the last few years, which has been a positive development. This report says that these problems will not disappear beyond the resources boom. There will be ongoing shortages of skilled and less-skilled labour. Therefore, we recommend a permanent increase in the immigration intake. Our argument is that, if it is good enough for people to come to Australia to work, they should have an opportunity—where feasible and consistent with the national interest—to remain here and contribute, ultimately, as citizens of this country.

Another important recommendation relates to trade negotiations. We have suggested at page 44 that it is of great importance to Australia that the focus in trade negotiations shifts towards services and that the government should attempt to prioritise services trade negotiations where possible. Indeed, we go further in recommendation No. 4 and recommend that in both bilateral and multilateral negotiations the government gives greater priority to services trade issues and that, where negotiations are stalled because of issues in one sector—for example, agriculture—the government should consider negotiating agreements for individual sectors. This is breakthrough policy development. Again, I pay tribute to all committee members for agreeing that this was the way to go. For too long, when negotiations have stalled, particularly on agriculture, we have taken the attitude that nothing else gets done while that blockage remains. The committee has said that we need to move on and do our best for agriculture but not prejudice successful negotiations in the service or manufacturing industries.

Another set of recommendations relates to the tourism sector and international airfreight. We have indicated at page 72 that the committee believes that calls in relation to avoiding long-haul flights are based on Eurocentric protectionist motives more than the desire to address climate change. The government and industry must attempt to ensure that the increasing public interest in climate change is not exploited by groups with protectionist interests. Again, thanks to all committee members for agreeing that this was the right approach. We go on to say in recommendation No. 9 that the government should be prepared to argue Australia’s case against Eurocentric protectionist policies which exploit the increasing public interest in climate change. Climate change is a very big issue in the public policy arena. Certainly we need to respond rationally to the challenge of climate change—but I emphasise rationally. Australia is a long way from the rest of the world and, if our aviation industries were to be subject to some sort of extra charge, a carbon charge, that would disadvantage Australia’s tourism industry and also its international airfreight industry. It is all very well for the Europeans to come up with these self-serving ideas, but they do not care what impact they would have on Australia—so good on the committee members for agreeing to this recommendation.

I get a bit tired of public policy institutes coming up with ideas to make the poor pay more for basic essentials such as electricity. In this context I point to a survey that the Australia In-

MAIN COMMITTEE
stitute released today on climate change, which says that 74 per cent of Australians would prefer a greenhouse strategy based mainly on energy efficiency and renewable energy. It found that 77 per cent of Australians would prefer to get their electricity from a renewable power source. This shonky online survey had 1,034 respondents. The point I make about reason and rationality is important in these areas, particularly in the service economy and services such as electricity generation. The cost range in dollars per megawatt hour for black-coal energy supplies is between $30 and $35 but for solar voltaic is $120-plus. That is a four times higher charge for electricity. These are the charges that would be involved in the heavy emphasis that the Australia Institute thinks Australians wish to put on solar energy displacing black coal. Let us make sure that the climate change debate is a rational one, based on facts and reason. That is why we made the recommendation in the report about Eurocentric protectionist policies.

This is a very good report. Thanks to all members of the committee across the political divide. The debates we had were conducted in a non-partisan way. That is the way it should be, ideally. I recommend this report to all members of the parliament; it is groundbreaking in its breadth and coverage.

Mr CIOBO (Moncrieff) (4.14 pm)—I am very pleased to rise today to speak to the report of the House of Representatives Standing Committee on Economics, Finance and Public Administration, titled Servicing our future: inquiry into the current and future directions of Australia's services export sector. Like the previous speaker, I was particularly pleased to see such a bipartisan approach to the various issues and challenges that our committee focused on over the past 12 months. All members of the committee—and I am being generous in certain respects—were very focused on ensuring that the very best possible set of recommendations could be put forward. In many respects, I was genuinely pleased to see the bipartisan way in which this was handled. More importantly, I believe that, fundamentally, there were a number of key recommendations put forward by this committee that will bode well for the future of Australia, particularly those focusing on the services industry.

As the member for Moncrieff, representing a city like the Gold Coast, I must say that I have been very focused on the services industry. The Gold Coast is a relatively new and emerging city. It certainly is one that perhaps has more than most when it comes to possible gains that can be made with a particular focus on the services sector. With that in mind, it is exciting to know that the services sector accounts for 75 per cent of output within Australia and 85 per cent of employment and generates 20 per cent of exports, to make it one of the key sectors in the Australian economy, which, perhaps surprisingly for some, is something that is a little-appreciated or known fact. The purpose of this report was to look at ways in which the Australian economy and successive Australian government policies could further drive this output and the export of Australian services and could further increase the take-up of employment in this sector. I was particularly pleased that the Treasurer was able to commission this inquiry by the committee on 3 May last year. In many respects, his ability to recognise the need to continue developing this process is a reflection of the leadership he has shown in this area over the past several years.

As I said, there were a number of recommendations that came out of this inquiry, and I do not intend to discuss all of them. But I would like to touch upon some of the key recommendations that flowed from the report. I will go in numerical order, starting with recommenda-
tion No. 2, which was a recommendation that there be created a minister for the services sector. I must say that this is perhaps the single largest overarching recommendation the committee has put forward, which I believe will have ramifications in a very positive sense going forward. Whether it be a Liberal or a Labor government, it is very clear that a minister for the services sector would spearhead efforts to coordinate and bring together the services sector across a whole range of industries that are currently not particularly well coordinated. This has been caused by the effluxion of time and, in some respects, the various policy approaches being adopted in an inconsistent manner. Nonetheless, the creation of a services minister would, I believe, fundamentally alter the landscape going forward. Australians could have confidence that a dedicated and focused minister, who would ensure that there was a disciplined and coordinated approach to the services sector, would see this sector expand its growth beyond that which it has already achieved without this minister.

Recommendation 4, which also deals with the issue of bilateral and multilateral trade negotiations, is also a very good recommendation and one that I am pleased to highlight here. There can be no doubt that in past agreements of a bilateral and multilateral nature there has from time to time been an inability for beneficial services outcomes to be achieved because, in many respects, there has been one particular sector—and more often than not it is agriculture—which has tended to stall in these negotiations. We know that many services exports are not able to reach their true potential because of non-tariff barriers. In this respect I believe that it is very important that any future government closely examines opportunities to enhance the services side of the economy and to enhance services exports by making sure that, when it comes to services, there is a resolute focus on what is the single largest part of the Australian economy. Although media columns and a lot of media focus very much on agricultural products and agricultural exports, the fact remains that we really should do more when it comes to the services side of the economy. I believe this recommendation, in a very pointed way, reinforces the committee’s view on a bipartisan basis that there must be absolute commitment and focus if we are going to continue to drive exports of services and that this can be achieved through both bilateral and multilateral treaties to a greater extent than it has been in the past.

Recommendation 5 is one I was particularly passionate about. Recommendation 5 calls for the creation of a Brand Australia Council. In the United Kingdom, for example, the London Development Agency works on developing a London brand, a brand that applies to any external operations of UK agencies to bring them all under one brand. I have to say that, to me, that makes eminent sense. You do not see, for example, key private sector brands having various brands in various countries. What you tend to see with the Coca-Colas, the McDonald’s and the Nestles of the world is one consistent brand which applies across all of their branding across various countries. Sure, there are liable to be changes and there often are sometimes unique changes to the brand that alter it in a subtle way so that it accords with the local market that that particular brand might be operating in, but fundamentally the brand remains the same.

It seems to me that the establishment of a Brand Australia Council would do a great deal to ensure that Australia is recognised around the world in a consistent and uniform way. This is fundamentally important, because we know that Tourism Australia is out there creating brand awareness of Australia, and that is a positive thing. But we also know that there is a variety of other agencies, such as Austrade, Australia’s investment agency, and other key agencies which
should be on the coat-tails of one unique brand for our country, so that internationally all people recognise an Australian brand when they see it and look forward to working with Australians, who, I think it is fair to say, are considered to be fairly lovable rogues around the world. Certainly I would hope so, and I believe that is the approach that Tourism Australia takes.

Recommendation 7 I will touch upon quickly as well in the short time that I have. Recommendation 7 is that an independent inquiry on the future of inbound tourism be established. Inbound tourism generates about $17 billion of exports for Australia, and the tourism industry employs some 550,000 Australians—a key and vital industry for our country. More importantly, from my perspective, it is the single biggest industry in my electorate on the Gold Coast. There is no doubt that tourism is certainly only the tip of the iceberg of our potential generation of wealth from services exports. In that respect an independent inquiry would bring the kind of truth that is required to the industry to highlight both the good aspects and perhaps the negative aspects which historically may not have been dwelt upon. There can be no doubt that, as a result of a number of inquiries over the past couple of decades, we have tended to focus on aspects of the industry that we like. The committee believes it is time that an independent inquiry took stock of exactly where we are, made some tough decisions and actually shone the spotlight on particular parts of the industry which perhaps in the past have not had light shone onto them. In that respect I think a full and frank assessment of the future of the industry would be a very positive and beneficial outcome.

Recommendation 8 is again another critical recommendation that the committee put forward. It deals with the recommendation that there be more emphasis placed on rogue operators and more emphasis placed on the Australian Competition and Consumer Commission to really clamp down on rogue operators. The committee heard a lot of evidence from witnesses concerned about the operations of rogue operators. I myself have witnessed firsthand on the Gold Coast rogue operators acting in a way that belittles the Australian tourism industry and does our country no great service whatsoever. The committee, on a bipartisan level again, was disappointed at the lack of action that the ACCC had taken. In this respect I think this recommendation is a very important one.

Recommendations 9 and 11 are the other two recommendations I would like to highlight with respect to climate change and, particularly under recommendation 11, with respect to niche marketing to do with the medical services export sector—no doubt a nascent industry but one that, again, could generate great wealth and income for this country. In the very short time I have left I would like to pay tribute particularly to those who played a key role: to the chairman, who has been a very fine gentleman and member—the member for Cook, Bruce Baird; I thank him for all his work—the deputy chair for his outstanding work, and all members of the committee. I also thank Gold Coast Tourism and the various tourism representatives. (Time expired)

Ms GRIERSON (Newcastle) (4.24 pm)—I also rise to speak on the report Servicing our future: inquiry into the current and future directions of Australia’s services export sector presented to the parliament by the Standing Committee on Economics, Finance and Public Administration. This report was undertaken as part of our inquiry into the current status and future directions of two major industry exports sectors—services and manufacturing. While the manufacturing report is to be tabled in the next parliamentary sitting, our emphasis with both sectors was on looking ahead and preparing for the economic times post the resources boom.
As it has in most economies, the size of the services sector in Australia has increased over time. In 2005, the proportion of employment services was 75 per cent, up from 58 per cent in 1973. The parts of the services sector employing the most people are retail trade; property and business services; health and community services; and construction. Gross value added by the services sector is likely to amount to around $800 billion of Australia’s trillion-dollar economy in 2006-07. My electorate of Newcastle reflects the changing nature of our economy. Between the 1981 and 2001 censuses, the proportion of people employed in the following services industries grew rapidly: wholesale and retail trade; health, education and community services; finance, property and business services; and recreational personal services—with health, hospitality, retail and higher education our largest employers.

The committee, though, in looking at the different members of the services sector, found it was very difficult to measure the amount and nature of trade in services. There was a consensus view amongst those who appeared before the committee that services export statistics did need to be improved. This view was shared by the private sector, government departments and the Australian Bureau of Statistics itself. The committee feels that, while the ABS is measuring services exports consistent with international practice, there are areas in which improvements are needed, and the ABS has identified those. Thus, in recommendation 6 we recommended that more resources be made available to the ABS to improve its collection of data on the international trade in services.

In my electorate the nature of the services sector includes many very small or microbusinesses—SMEs—who are exporting, for instance, medical services. Voice map training systems is one service being successfully exported to the UK. Quality IVF control systems are exported to countries around the world. Another successful small business service has been setting up training colleges in Pakistan, and an IT service provider is exporting those services to countries around the world.

It is very difficult, obviously, to measure those very small businesses and the aggregated contribution they make. But the report also concluded that there is considerable scope for increasing the export effort and outcomes from the services sector, particularly with the opportunities in Asia. Submissions from the industry noted several issues limiting progress in this regard. These included non-tariff trade barriers, which are insufficiently addressed and acknowledged by our export agencies. It is easy to quantify and assist the export of goods and the manufacturing of goods but perhaps not so easy to influence and support those in the people-based services sector. So there was also attention given in the report to the need for standards, attention to regulation and overregulation in this sector, and the need for some separate approaches.

Skills shortages were seen as another key barrier for our services export industry. That is generally recognised as an issue for Australian businesses across the board. However, in the services sector, being people based and a labour-intensive industry, it is a particular problem. For example, the ABS tells us that in accommodation, restaurants and cafes it takes 24 workers a year to produce $1 million in output. In mining, for example, the same output takes just two workers in that one year.

Speaking of the mining sector, the boom in that sector is one of the reasons put forward in many submissions for skills and labour shortages in the services sector. It is interesting to note that many services industry people are attached or related to that mining boom, particularly
those in engineering and consultancy services. It has been argued that the big wages being paid in the mining sector are pulling people as diverse as chefs, bus drivers and mechanics out of sectors like tourism and into other sectors.

The report made 14 recommendations, and I acknowledge a previous speaker on this report, the member for Rankin, who has absolutely been ahead of the government. In recommendation 2, the report recommends the setting up of a minister for the services sector. Of course our shadow minister for the service economy, small business and independent contractors was greatly helpful to us in our work on our committee.

The report also recommended research into innovation and pointed out how innovation in the service sector can increase productivity. Given productivity rates in this country, it is one of those areas we found overlooked a great deal in the services economy. Recommendation 3 suggested that a permanent migration program was needed to address shortages, particularly in lower skilled positions—for example, hospitality and tourism. While we acknowledge that the 457 visa approach is being used, I noted today the differences in the positions of Helen Clark and the Prime Minister regarding using lower skilled workers in our region. I think specific and permanent migration programs need to be considered.

I think recommendation 5, to initiate Brand Australia Council, is a way to give oversight and coordination to all the agencies and export authorities that do look at Australian products. Their branding and approach has always been on goods rather than services. The council will look to the quality and importance of standards and the increased success of the services sector. But to do that of course we also need to take on rogue operators who can do great damage, particularly in tourism, although I think hospitality and education services were also areas where we saw rogue operators that had the potential to damage the brand of Australian services quite remarkably. Recommendations 7 to 11 particularly look at the need for assistance to the tourism service sector. We also saw a greater role for the ACCC, and we recommended that they have additional resources to actively seek out and prosecute alleged rogue operators in the tourism sector. We did suggest that there should be increased funding by both state and federal governments to the Inbound Tourism Compliance Taskforce and acknowledge that there is a need for some national coordination on this issue.

In terms of education services, recommendation 12 went to assessing the overall competitiveness of Australian student visa requirements. Is it easy to come here and access those education services or is it easier to go somewhere else? Recommendation 13 recommended a performance audit, by the ANAO, of DEST compliance and enforcement action, of alleged breaches of the Education Services for Overseas Students Act and its national codes. I think all of us are hearing in our electorates about more problems emerging from that field. Recommendation 14 encourages Tourism Australia and Australian Education International to work together to see what they can do to protect standards, recognising that there is an overlap.

There were some general areas that needed a little more attention—and certainly there is not time in each report or each inquiry to cover them all. But, in my view, there was a need for some much more flexible approaches to training. With a mobile population, when you get a boom, people are drawn to and from all over the country. I know flexible delivery is something that education institutions are working very hard on, but I think it needs some new focus and support. An emphasis on entrepreneurship is also probably missing from our overall edu-
cation approaches, and we cannot help but see that SMEs that are delivering services are totally dependent on high-speed and wide-bandwidth broadband. Particularly in regional Australia and electorates like mine, without those broadband capabilities they cannot fully take advantage of the export opportunities in a global economy.

Finally, I would like to also add my thanks to the secretariat for their efforts. These sorts of inquiries require a great deal of coordination and a lot of travel around the country, and we were able to sample widely from different service sectors and from different places in regional and metropolitan Australia. I would also thank the chairman. He does run a very productive, congenial and certainly non-partisan committee. I acknowledge the non-partisan contributions of all the committee members and their willingness to support this inquiry. I recommend the report *Servicing our future* to the House. I know it will be well received by the services sector in general.

Mr SECKER (Barker) (4.34 pm)—I welcome the attempt by the member for Batman to give something to the Standing Committee on Economics, Finance and Public Administration in the future. I am sure we would welcome the approach and the abilities of the member for Batman to the committee. It has been very noticeable that all previous committee members who have spoken in this debate have commented on the fact that there has been a bipartisan approach by the committee, chaired very well by the member for Cook and also, quite arguably, served very well by the best secretariat in this House. Secretariat members certainly help the members enormously and go to a lot of effort to ensure that the committee produces a great report.

I lament the probable outcome that as it was a bipartisan committee there will not be too much publicity in the papers because there was not much controversy. Certainly some good views have been put forward but, unfortunately, I do not think the media will give it due consideration and promotion because we are not at each other’s throats.

Mr Martin Ferguson interjecting—

Mr SECKER—That might happen. I am very pleased with the report *Servicing our future*. The electorate of Barker, which I have the honour of representing, is a little over 64,000 square kilometres. It is larger than Tasmania. When you go through the electorate you make your way past some of the country’s great treasures. The Murraylands region of my electorate has already been identified as a future logistics and transport distribution hub for South Australia because of its ideal location, only an hour away from Adelaide. It has certainly been easier to come in and out of Adelaide via Murray Bridge or the Murraylands as a result of the money that this government spent on the Heysen tunnels, which also made access into Adelaide safer. Because of its ideal location there is very easy access via road and rail to the eastern seaboard, which is very important in a country like ours. Tourism derives a significant proportion of the electorate’s economic dollar and opportunities for tourist and sporting events, businesses, cruises and retreats are growing and receiving international acclaim and media publicity. Of course, agriculture is also a very strong base for the Barker electorate.

Nationally the services sector is responsible for 75 per cent of this country’s outputs and 85 per cent of employment. Export services make up more than 20 per cent of total exports. It is surprising to some that this is more than rural exports and about on par with manufacturing exports. That is not to say that manufacturing or agricultural exports should be derided; in fact, they are very important to our economy. Without food, for example, we do not live. It is
as simple as that. Without exporting food we would be producing probably 80 per cent more than our actual needs in Australia.

Inbound tourism is, at the moment, Australia’s biggest service export industry. It is among the top export earners across all industries and has set new records for arrivals and exports. Yet, despite this, for some time the services sector has been overshadowed by Australia’s goods producing industries, such as the agricultural and manufacturing industries, and by the much publicised mining boom. It is this committee’s view that the Australian government must give greater priority to the services sector by way of government acknowledgement and assistance and by way of media attention.

This committee was charged with the responsibility of identifying challenges posed to the services sector by the current resources boom and to highlight both issues and opportunities for the sector into the future. The Servicing our future inquiry suggests that service exports are likely to be of increasing importance to the Australian economy not just in the near future or the short term but in the coming years and decades. That time is fast approaching, but before it does this government and any other future government must be ready. We must have the ability to address workforce needs such as a shortage of skills and labour, which are already present in our economy. We need to tackle the significant competitive challenges on the horizon for the educational sector, the second largest services export sector, and to remove growth-constraining issues surrounding non-tariff trade barriers. Educational export services were brought home to me when I was part of a recent trade delegation to Mexico. We are certainly growing in that area. Many students are coming to Australia and we also have students in Mexico.

There were many recommendations. Innovation, particularly in the use of information technology, has been a key driver of productivity in the services sector. I hark back to my days at university when I was doing an economics degree. Even then they were talking about innovation. We talk about it a lot, but I think we need to recognise it even more. There has been little study done of the role of research and innovation in lifting productivity in the services sector. More could be and should be done in this area. Because of this, the committee recommends that the government commission research into innovation in the services sector and its implications for productivity.

It was also the view of the committee that the services sector would benefit from improved federal government coordination. We believe that the most effective way to achieve this would be with the introduction of a minister for services. Every member of the committee has mentioned that so far, so obviously they think it is pretty important. Such a role would provide a focal point for the services sector, recognising its increasing importance, particularly in terms of exports. This position could assume a generic responsibility for the sector, informing government policy on issues that affect all service industries. As well it could be responsible for coordinating research into the services sector and formulating a government strategy to ensure the continued expansion of service exports.

We also recommended that the government consider establishing a program of permanent migration to address shortages in lower skilled positions—and we chose those words very carefully—in industries like hospitality and tourism, and provide incentives for Australian and overseas workers to move to rural and regional areas where skills and labour shortages tend to be more severe than they are in the cities. Australia’s population is ageing, and we need to
look to permanently boost the supply of labour in the economy. The committee is in favour of permanent rather than temporary migration of lower skilled workers. The focus must be on younger migrants to avoid increasing the problem of the ageing population. There is a significant shortage of workers at a skill level below that which is already covered by the current skilled migration program, so it is not so much, certainly in my area, a shortage of skills but a shortage of actual people and labour to do the jobs.

We also recommended that in all future bilateral and multilateral trade negotiations the government give greater priority to services trade issues. Where negotiations are stalled because of issues in one particular sector—for example, agriculture—the government should consider negotiating agreements for individual sectors.

Whilst we talk about Australia’s good record with the export of goods, we are lagging in international brand recognition. Like the member for Moncrieff, I am very passionate about our ability as an exporter of business services, for example, not being well recognised. We must broaden our international brand. The committee recommends that the government initiate a Brand Australia Council. This council would not take over the operations of promotion agencies like Tourism Australia and Austrade but would provide an opportunity for these agencies to communicate, to work together on promotion where possible and to investigate how our brand is perceived internationally and where it needs to be improved.

There are many other recommendations that are worth listing. Very quickly, they include: that governments, both state and federal, take proactive steps to eradicate rogue tourism operators; that the government commission an independent inquiry into the future of the inbound tourism industry; and that more resources be made available to the Australian Bureau of Statistics for improving its collection of data on international trade in services. (Time expired)

Mr MARTIN FERGUSON (Batman) (4.44 pm)—I welcome the opportunity to address the report of the House of Representatives Standing Committee on Economics, Finance and Public Administration entitled Servicing our future: inquiry into the current and future directions of Australia’s services export sector, and, in doing so, indicate to the member for Barker that I pay close attention to the work of this committee. I say that because, as the shadow minister for tourism, I feel that the recommendations of this committee’s report are exceptionally important.

I also say at the outset that, like the member for Barker, I do not believe the work of the committee structure gets enough attention and recognition. I think we all appreciate that committee work is one of the most rewarding parts of being a politician, because it enables us in a bipartisan way to make some real recommendations about real policy issues of national importance—recommendations we can be proud of. As shadow minister for transport and roads and tourism, I am paying close attention to the recommendations of this report because of the importance of tourism to the export sector.

I hope that the member for Moncrieff, who has been an active participant in this committee, brings the report to the attention of the Minister for Small Business and Tourism, because I know the member for Moncrieff is highly critical of the minister’s performance. I, like him, appreciate that she needs all the assistance she can get with her portfolio work. Having said that, let me say that the report focuses heavily on tourism, a key service sector in Australia. Tourism related services account for almost $28 billion in the balance of payments and are
made up of more than 60 per cent of Australia’s total services exports. The importance of the tourism industry as a whole is often forgotten, and this report reminds us that it contributes about four per cent of Australia’s GDP. I think, therefore, that it would also have been appropriate for the committee to have recommended that, in terms of the performance of the Howard government, tourism be a key cabinet portfolio rather than being in the outer cabinet, the outer ministry, as is currently the situation. The report rightly identifies a number of challenges faced by the industry and highlights the fact that the recent slowing in Australia’s services exports has been partly attributable to the stronger Australian dollar leading to slower growth in tourism related services. This is something that cannot go on without it being properly addressed.

As the report notes, there has been a decline in tourist arrivals from Japan over the last decade and, while Japan’s ageing population and modest economic growth over the last couple of years partly explains it, it should be a matter of concern to Australia that Japanese tourism to other destinations such as China, Singapore and South Korea grew over the same period. So, in that respect, I welcome the committee’s report on the findings of the action plan for Japanese tourism with respect to how we go forward. It is something that has to be pursued vigorously by the government. I consider that there is no doubt that the ‘So where the bloody hell are you?’ campaign has been a complete and utter failure in Japan, and it is time some sensible analysis and federal leadership were exercised to reverse this negative trend. The minister’s response is to want to audition for a Japanese soap opera! We need more than that.

Another challenge for Australia as a tourism destination is the growth of low-cost carriers flying within Europe and Asia, which has increased the relative price of a holiday in Australia for European and Asian tourists. At the same time there has been little development of low-cost, long-haul flights to destinations like Australia, and high world oil prices have resulted in many airlines introducing fuel surcharges of around $74 to $100 on long-haul flights, further increasing the relative cost of travel to Australia for a tourist.

Again, I support the recommendation of the committee to commission an independent inquiry on the future of the inbound tourism industry and the challenges it faces. When it comes to Australia’s challenges on inbound tourism, we need more action. That is why I also welcome the committee’s support for the development of an action plan to consider the impacts of climate change on the tourism industry and its recommendation that the action plan also consider the potential impact of carbon emission reduction policies on inbound tourism. The committee notes, appropriately, that in recent times there have been calls from within Europe for its citizens—another trade embargo—to avoid long-haul flights and give preference to consumer products that have not been freighted over long distances; another crack by the European union at Australia. The committee appropriately expressed a view that some of these calls are based on Eurocentric protectionist motives more than a desire to address climate change, and noted that government industries should attempt to ensure that the increasing public interest in climate change is not exploited by groups with protectionist objectives in mind. I could not agree more.

Let us deal with a few facts. Let us have a scientific debate about climate change and its potential impact on the tourism industry. Globally, aviation contributes just two per cent of greenhouse gas emissions but eight per cent of world GDP—that is, 28 million jobs and $US3 trillion. Recently, the less than august Australia Institute—an organisation for which I have no
respect because it seems to pride itself on belting low-income people in Australia—proposed a carbon tax, an elitist tax, on domestic flights and called for an end to the promotion of the aviation industry. Never mind that, according to the Australian Greenhouse Office’s National Greenhouse Gas Inventory, civil aviation contributes just 0.9 per cent of Australia’s emissions. If we got rid of the entire aviation industry, as the Australia Institute would have it, we would still be left with 99 per cent of Australia’s emissions.

Australia’s geographic remoteness and vastly dispersed population means we rely on air travel more than the rest of the world. In Europe, distances between destinations are much shorter, and rail and road networks provide alternative modes of efficient transport. But it should also be noted that every rail journey in Europe is subsidised by between $US3 and $US9, while every air journey contributes between $US6 and $US11 to government revenues.

Air transport is, interestingly, responsible for 99 per cent of Australia’s international passenger movements each year, with about 18.1 million air passengers entering and leaving Australia—and the Australia Institute would have us kill the Australian aviation industry both domestically and internationally. They ought to have a long, hard look at themselves. Within Australia, the arrival of low-cost airlines Jetstar, Virgin Blue and, now, Tiger have connected Australians to each other and improved access to markets for Australian businesses like never before. It has also meant that ordinary people, low-income earners, can avail themselves of air travel—at long last.

But let us keep it this way. It is the responsibility of both sides of parliament to stand up to the idiots in the Australia Institute. The Australia Institute report, so far as I am concerned, is brazen in its simplicity and puts the organisation in the dubious company of the Green warriors who hope that climate change will finally bring down capitalism. While this might enable grandstanding in the media, it fails to progress the climate change debate in any meaningful way, and it damages the prospect of finding sensible scientific solutions to a complex debate that is of exceptional economic importance to the future of Australia, especially rural, remote and regional Australia.

Each year, for decades now, the airline industry has made efficiency improvements of between one and two per cent. It may not seem like much to the Australia Institute, but eliminating a single minute from every flight around the world would save 4.8 million tonnes of greenhouse emissions. That is a big incentive for the airlines to actually make progress, because emissions cost money—it is about good business. With fuel prices at record highs, it is good business to reduce emissions. It is no coincidence that the financially successful airlines are also often the greenest, as they invest heavily in new aircraft and technologies that burn fuel more efficiently. New aircraft are 70 per cent more fuel efficient than 40 years ago and 20 per cent more fuel efficient than 10 years ago. Technologies in airspace management, such as advanced navigation and scheduling systems, are advancing and achieving dramatic fuel-efficiency improvements.

I commend this report to the House, because it is about making appropriate recommendations for the future of the services sector in Australia. It also brings to a head such complex issues as climate change, which are key to the future of a number of service sector industries in Australia and key to economic growth and employment in Australia. I commend the committee for its very valuable work. (Time expired)
Mr KEENAN (Stirling) (4.54 pm)—I rise also to talk about the report that we are discussing here today which has been created by the House of Representatives Standing Committee on Economics, Finance and Public Administration and entitled Servicing our future: inquiry into the current and future directions of Australia’s services export sector. Before I go on to my contribution, I was listening to the first few minutes of what the member for Batman had to say in his speech, so I thought I would rise and take issue with some of the points that he made which I thought were wrong and over the top. But I will not do that, because I am just in such furious agreement with the second half of his speech, where he talked about the report that was brought down by the Australia Institute. I see why he has a reputation, at least on our side of the House, for bringing a very commonsense perspective to some of these issues. His contribution was excellent.

This report makes 14 recommendations. I wanted to concentrate primarily on the first six, because recommendations 7 to 14, which deal a lot with the tourism industry in Australia, have already been extensively canvassed by the first five speakers. So I wanted to concentrate in my contribution on recommendations 1 through to 6. The first recommendation is that the government encourage more research into the services sector. That is a reasonably sensible recommendation. We hit something of a fork in a road as a committee about which direction we would take when we were framing this report. We could have taken the road of, maybe, increased government intervention or possibly suggesting that the government should spend more money doing this or that. But what has been taken in this report is a far more sensible approach. We have opted to enhance the efforts of the private sector that are already occurring and making the services industry such an important part of the Australian economy. Rather than coming in with a very heavy hand of government, these recommendations have something of a light touch. They are more about encouraging the government to coordinate. Recommendation 1 is a good indication of that.

Recommendation 2—one that I know has pleased my colleagues on the other side of the chamber today—about the creation of a minister for services is very much in that vein. We are not recommending that the government do exciting new things or take incredibly large initiatives in the services sector, but we are saying that it would be worth while for the government to have a look at the services sector and see if there is some way that we can help to coordinate things better. The creation of a minister for services would obviously be a step in that direction.

Recommendation 3 is, in my view, the most important recommendation of the committee. It is important because it deals with a factor that is heavily weighing on the Australian economy at the moment. It is, without a doubt, the No. 1 complaint that business has brought to me as the member for Stirling. That is the labour shortage, sometimes referred to as a skills shortage. The reality is that, because we have a booming economy, we are literally running out of people to work in that economy. People consistently come to see me in my electorate to complain that they cannot find workers, particularly in some of the traditionally lower paid occupations such as aged care, hospitality and of course all sorts of occupations that you would find within the tourism industry. It really is now a critical issue. If you cannot find the people to work in the economy, you cannot continue to expand the economy.

I was worried that as a committee we might squib this one, because there might be some different political imperatives for the members on either side of the committee, but I think
what we have come up with is very sensible. We recommended that the government institute a process whereby more permanent migrants can come to Australia. I actually do not have a strong view about whether the migration to Australia is permanent or on a more short-term basis, but other members of the committee felt that it was important to have migrants come on a permanent basis as opposed to coming on any temporary basis. I think it is so important to solve this problem that I really did not think it was worth while taking issue about whether people come here temporarily or permanently. The most important thing is that we solve the problem and get more people here. This is a very good report. All the recommendations are worth while, but it is really vital for the government to take notice of recommendation 3. I am going to be very pleased to take this report back to my electorate and discuss it with some of the business people who have come to see me on a regular basis, begging me as their member of parliament to do what I can to encourage the government to allow more labour to come to Australia.

Recommendation 4 talks about having some more emphasis within international trade negotiations on the services sector. A lot of players within the sector were of the view that, when we come to negotiate both multilateral and bilateral trade agreements, we as a government place more emphasis on manufacturing and agriculture, which belies the fact that services is actually the largest sector of our economy. Players within the services industry felt that there needs to be more emphasis placed on the services sector within those negotiations. There is evidence to suggest that that would be a very sound thing for the government to do.

Recommendation 5 was particularly championed by the member for Moncrieff, and he has discussed it within his contribution. It is for the creation of a Brand Australia. We were given a number of examples where governments have done this quite successfully; the Italian example was one. It would promote Australia as a homogenous brand, as opposed to promoting different sectors of Australia, if you like. Australia would benefit if we were to do that in a more coordinated way.

Recommendation 6 is a reiteration of a plea that we heard from many players within the sector that the ABS provide more data from the services sector, particularly regarding its place in international trade.

In the remaining few minutes I will move on to the other recommendations, recommendations 7 through 14, which deal primarily with tourism. Recommendation 7 asks that the government has a look specifically at the inbound tourism industry. There was some concern within the sector that tourism has not been growing or that we have not been maintaining the rate, particularly from some markets, of inbound tourists. A lot of that, of course, has to do with the fact that the Australian dollar is currently so strong, which has a negative effect on Australia as a destination, particularly on the Japanese inbound tourism market, which is mentioned specifically in recommendation 10.

Recommendation 8 is about rogue operators within the tourism industry. Sadly, we as a committee heard evidence that rogue operators were not policing in an overly vigorous way. Members of the committee had received representations quite heavily, particularly members from Queensland—and the chairman was also terribly concerned—that the ACCC was not using its powers to properly police rogue operators in the tourism industry. The committee urges the ACCC to take another look at that and to increase the frequency with which they take compliance action. Importantly, we decided not to do this by putting a whole new layer...
of bureaucracy on the tourism sector. There was some discussion within the committee about doing that. I personally felt that that would be very unfair on the vast majority of tourism operators that do operate within the law.

I think recommendation 9 is the second most important recommendation of the committee. I could not agree more with the member for Batman’s contribution about this. We should not subscribe to some Eurocentric view that penalises hardworking Australian exporters, and we should not fall for the line—that the EU seems to be pushing very heavily at the moment—that somehow Australia should be penalised for being a long way from the rest of the world. We have really got to be alert to that sort of nonsense. Again I concur very strongly with what the member for Batman said.

Recommendation 10, about the Japanese market, I have already touched on. The depreciating yen versus the Australian dollar is obviously a substantial problem there. Recommendations 11, 12, 13 and 14 are very important to the tourism and education sectors and, specifically, coordinating between the two. I thank the chair and the other members of the committee for their work in producing a very worthwhile report. (Time expired)

Debate (on motion by Mr Baird) adjourned.

Employment, Workplace Relations and Workforce Participation Committee

Report

Debate resumed.

Ms HALL (Shortland) (5.05 pm)—I rise to speak on the report presented by the House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation entitled Current vacancies: workforce challenges facing the Australian tourism sector. The tourism industry plays a very important role in Australia. In 2003-04, tourism contributed 3.5 per cent of gross value added, 3.9 per cent of total gross domestic product, 5.6 per cent of total employment and 12.1 per cent of total exports. More than 550,000 Australians generated $17 billion in Australian export earnings. On those figures, you can see just how important the tourism industry is to Australia.

The number of international visitors to Australia is increasing. In 2004, there were over five million international visitors, and that was a 9.9 per cent increase on the previous year. Various countries contribute to those visitor numbers. New Zealand is by far the largest source of our international tourists. There is strong growth predicted in the tourism sector into the future.

However, the growth in the industry is sensitive to international events and it stands to be inhibited by the skills shortage that exists. The committee looked at the skills shortage and came up with a number of recommendations to address it. Overwhelmingly, the most important issues are, firstly, wages and conditions and, secondly, the lack of training and the lack of a career path for people working in the tourism industry. People employed in the tourism industry often view a job in that industry as a job that you do before you get a real job. The simple fact that there is no career path—or a very limited career path—impacts on the number of people who work in the industry.

The tourism industry has a very high turnover of workers. In large part, as I mentioned at the start of my comments, that is due to the very low wages that are paid to the workers in the industry. The conditions of work also impact on that, including the fact that people are re-
quired to work very long hours. There has been a shortage of chefs in Australia since the
1950s and it just continues to grow. We have heard of restaurants having to close their doors
simply because they do not have the staff to operate them. Chefs and other people in that in-
dustry are quite often working when other people are out having their recreation. This places a
big burden on the people employed in the industry.

It is also very interesting to note that, because of the relatively low wages and poor condi-
tions, these workers do not have a commitment to the industry. At the hearings, the committee
heard from the Hotel, Motel and Accommodation Association, who indicated that, over the
years, there have been regular breaches of the laws within the industry whereby employers
have not adhered to award conditions. Peter Olah, who was giving evidence to the committee,
said that Work Choices had actually allowed employers to now do legally what they had been
doing illegally for some time. What this shows is that employers do not have a commitment to
their staff. If they did have a commitment to their staff, that would go some way to addressing
the skills shortage that exists in the industry.

It is also important to recognise that many tourism businesses are small, marginal busi-
nesses. They have a high turnover of owners. Quite often they close down. A large percentage
of them are family businesses, single-owner businesses or partnerships. These businesses do
not have the depth of training to operate successfully over a long period of time. The busi-
nesses are also often seasonal. In the snowfields it is very much a winter industry and in the
Top End, once again, the peaks tend to be in the winter. Each area has its peaks. I thought the
Whitsundays had a very good approach to tourism, in that all the operators in the Whitsun-
days join together as a group to try to improve the industry, to give some depth to the industry,
and to draw on the expertise of, and to provide support to, others.

The recommendations of the report went across a number of areas. We recognise that there
was a lack of data collection and analysis of the labour needs within the tourism industry. It is
very much an ad hoc approach. I think that is symbolised by those small businesses that are
operating in a very unplanned environment. They are struggling and reacting to the circum-
stances of the day rather than having a planned approach to their business. Anyone who has
any sort of relationship with business knows that the most important thing is to have in place
a plan and to work towards that plan.

As a committee we thought there needed to be more comprehensive workforce planning
done within the industry. We also thought that there needed to be a partnership with regional
research industries, institutions and industry bodies to undertake a review and analysis of em-
ployment data for tourism and related sectors—once again adopting a much more planned
approach. This will provide support to employers whilst at the same time encouraging em-
ployers to think about the needs of their staff. Because of the seasonal nature of the work-
force, we felt that the development of a seasonal workforce management plan would be of
benefit to the industry and at the same time be of benefit to those people who work in the in-
dustry. I feel it is very much an industry that by its nature does not make a total commitment
to its workers. It is an industry that sees itself as being seasonal, that sees itself as offering an
employment opportunity to workers on a very short-term basis and that does not value its
workers to the degree that makes a commitment to their training and develops that career plan
that I think is ever so important if the industry is to thrive. There are very good overseas ex-
amples of where this commitment is made and where tourism is considered not as a job you
have before you get a job but as your real-life job. If that is to happen in Australia and if we are really to address these shortages, we have to address the issues surrounding wages and conditions and the ongoing training of workers.

I would also like to put on the record that within the industry it is important that we deal with the issue of prior learning—recognise prior learning and reduce the barriers to recognising prior learning—and actively promote the competency based apprenticeship pathway. These are all recommendations. In the report we deal with visas, but my contribution to this debate has concentrated on the fact that we need to make a real commitment to training and a real commitment to wages and conditions if we are to address the skills shortage, because there is competition from other industries that pay a lot more to their workers and that have much better conditions for their workers than the tourism industry. Unless something is done to make it more attractive—unless issues like housing and the long-term career paths of people working in the industry are addressed—then we will continue to have this skills shortage that affects this industry that is very valuable to the Australian economy.

Mr HARDGRAVE (Moreton) (5.15 pm)—I am pleased to contribute to this discussion. Before I start I would like to thank linesmen and ballpersons—I thank Dr Anna Dacre; Siobhan Leyne, the inquiry secretary; and all of the staff involved with making us as members of this committee look good in writing.

Ms Hall interjecting—

Mr HARDGRAVE—I think all of my colleagues opposite are happy to be associated with those remarks. I know that Labor members have been spending a little bit of time talking about employment relations issues, Work Choices and so forth. I know that there is not a dissenting report, as I said to the House, but I took advice from the Clerk—I know that the member for Werriwa was disturbed about that—and the Clerk put the words ‘dissenting report’ in my earlier contribution in the House. So, if it is acceptable, I will dissociate myself from my own comments and say they put some other comments in there. That is what the Labor members did. They reflected a bit on industrial relations practices, as is their wont, and there was obviously a deal of interest and pressure from a variety of unions keen to put a point to the committee, which we listened to. One would suspect that Peter Olah talking about the fact that Work Choices provides some flexibility that had not been there before was in fact recognition that restrictive award conditions made it impossible for some people who were employed to do one job but were not necessarily affiliated or paid according to the various awards relating to the various tasks that they might undertake. In that regard, Work Choices means that they can have a private agreement with that person. I really do not want to spend much time in this discussion dealing with that.

I think it is fair to say that it is true, as the member for Shortland just observed—I will paraphrase what she said—that this is a sector that is vital to Australia’s economic base, that does not pay its workers as well as it might and that has only itself to blame for so many of the problems it currently has when it comes to labour shortages. As people in Western Australia observed to the committee, if you are a good cook, a good chef or a good wait staff person and you are in the local hotel, restaurant or whatever in a mining area then—guess what!—the mining industry bloke down the road is going to come and hire you and will be fairly likely to offer you some accommodation that you might not already be getting. I think that when they opened an extension to the Cable Beach resort in Broome it caused the Chicken Shack store in
I think that was the name of the place—to close completely because all of those who were broiling and oiling chickens at the Chicken Shack went off to work at Cable Beach, where I am sure they picked up some other skills. The point is that there is an enormously competitive labour market in this particular area.

My grave concern as somebody from a media and marketing background who watches the ambitions of government and tourist authorities to bring more people to Australia—and I note the member for Cook is here and his passion for Qantas, our national carrier, to bring those people in is very well known in this place—is that we as a nation are not actually going to be able to live up to the expectations that we have created in our tourist marketing, because one of the key elements of meeting those expectations that is missing is the failure to properly invest in our people. To leave it all to chance—to leave it to the backpackers, the entry level job seekers and, as the member for Shortland rightly observed, the people who get a job in tourism or hospitality before a real job comes along—and to leave it to just those people to underpin the way in which our tourism and hospitality industry operates is an enormous folly.

We have a sector that is small and medium business in the most. There is not a Sofitel and a Hilton in every country town. Those Hiltons and Sofitels do have a huge impact on the professional standards—there is no doubt about it. In every country town you may well find that well-meaning, superannuated people are taking on the business investment of their lifetime, hopefully turning their retirement dreams into some sort of success for themselves, and are struggling to find staff. Kate Lamont, who provides enormous high-level advice for Tourism Western Australia and who put Margaret River on the map through her abilities as an entrepreneur in building up a business case for Margaret River wineries, said to the committee at the Perth hearings that she is back to changing sheets in her hotel rooms. This is an extraordinary problem for the sector; you have someone who you want to be entrepreneurial and to give good advice to government and industry doing the close work of tightening up the sheets around the beds they let at night.

We have a problem in this sector. Some of it is built around the failure to pay adequately but, to be fair, a lot of it is built around the failure of this industry to be collaborative enough to put pressure on the government and to make sure that, if you move from one hotel or caravan park to a hotel thousands of kilometres away, the experience you gained at one place counts for something. The national training system does not kick in and recognise the in-house training as well as it should. That conflict has to be put to bed because, if we want to give people a chance to grow their wage and a long-term career, and if we want this industry to meet all of the expectations of people coming to this country, we have to give people a career path.

In the recommendations put forward, the committee has provided some ways to achieve this. It asked, ‘Why don’t we have a portable long-service scheme?’ If it is agreed that you have been working and that you have been involved in the industry in one place and moved to another, let that all count in understanding, appreciating and respecting the experience you have gained in those different places; and let that be recognised by the industry. As the member for Shortland asked, ‘Why don’t we accept that a lot of the places are seasonal?’ We have to make sure that if you get 12 weeks work at the ski fields, which might well be 18 weeks given that the snow fell fairly early this year—I know nothing about skiing, but I heard that on television—why don’t those 12 or 18 weeks work count towards a long-term understand-
We are sending all the wrong messages to people, saying: ‘There’s a little bit here and a little bit there. Take your CV, tout it around and hope people understand what you have written down.’ We need to put a better stamp of approval across the efforts that individual workers make and we need to make sure that individual employers are working in a collaborative way to reward people with those sorts of skills and experiences.

This report set out to put forward a number of suggestions for the recognition of people’s competency and the training and experience they have. We also explained what I think is a fundamental failure of the migration occupations in demand list, the MODL, which requires that people have at least three years of postsecondary training in a particular profession for that professional skill or trade to be recognised as worthy of importing to Australia. That is a huge failure when you are looking for front-of-house staff and cannot find them. It is a real problem if you cannot find enough people to make the beds in your hotel rooms. The skills required to make a bed properly, to maintain a room properly and to serve wine and food properly—let alone the high-level standards of maitre d’s in restaurants—are not recognised by the migration occupations in demand list, because the criteria are too restrictive.

The committee has honed in on this and said there is something absolutely daft about a skills shortage in certain parts of Australia so pronounced that we are told some hotels in capital cities around this country are shutting down entire floors, saying, ‘Don’t rent a room on floor 14 because we can’t make the bed.’ The Crown Casino in Melbourne preserved two-thirds of its restaurant during Chinese New Year because they did not have enough waitstaff. The committee is saying to think about the cost to the economy of keeping alive this restrictive practice on the migration occupations in demand list.

So I think we have put forward a bit of food for thought. I hope that the government takes our observations seriously. I hope the industry takes it seriously, because there is a bit of challenge in this to the industry—to get organised and to get on with the job. But I still say, as I always said when I was the minister responsible for training in Australia, the message is clear in the tourism sector: the best investment you can make in your business is in your people. If you want to train them and invest in them, you will keep them. If you don’t, you will be short of them. (Time expired)

Mr HAYES (Werriwa) (5.25 pm)—I am glad I am following my colleague the member for Moreton in debating this House of Representatives Standing Committee on Economics, Finance and Public Administration report on the tourism sector. I have to say he did make a very significant contribution to this inquiry, particularly in relation to vocational education, much of which was picked up in this report, and I think the industry will be better for it if they actually act on a number of those recommendations.

I acknowledged the contribution of my friend earlier today but I did not acknowledge the former chair of this committee, the member for Deakin, who instigated this inquiry. I should mention that the member for Deakin, Mr Barresi, was very committed to this inquiry from the outset. I am sure we mourned his passing as chair as we visited Cairns, the Northern Territory and other places like that, drilling down into this inquiry!
Mr Hardgrave—I agree with you, Member for Werriwa, and I associate myself with your comments.

Mr HAYES—On a more serious note, I would also like to join with the chair and commend the committee secretariat: the secretary, Dr Anna Dacre; the inquiry secretary, Siobhan Leyne; the research officer, Loes Slattery; and the admin officer, Daniel Miletic. These people, quite frankly, have put in a sterling effort on this report. They do a lot, as the member for Moreton indicated, to make us look good. A report like this is as much a reflection of their dedication, professionalism and commitment as it is of the serious way in which all the participating members approached this inquiry. We are very fortunate to have such professional service available to us. As I said in the main chamber, it is something that we should not take for granted; we should certainly acknowledge the support that we do get from that part of the organisation and the people who are always able to give us independent advice whenever we need it. Without dwelling on it, that is certainly something that is significant and something that should be recognised.

In this inquiry, one of the things that was challenging the committee was: what is the tourism industry? Largely, the tourism industry is basically whoever considers themselves to be in tourism. Unfortunately, that does not translate in terms of participation in some form of structured industry. I agree with the member for Moreton that one of the things that was quite apparent throughout this inquiry, when people spoke of tourism jobs, was that it was a job that you had before you had a job. That actually flows through into the general mentality or attitude, certainly the attitude to training and retaining staff—and an attitude that prevents the industry taking that next step and going further. I think for the industry it is important that it does view itself as a significant part of our economy.

For instance, this industry accounts for something in the order of $17 billion in terms of overseas earnings or annual net income. It contributes about 3.9 per cent to the GDP. These are significant figures. This is not simply a fledging industry. Sure, it is a young industry, but it is also an industry which has its place. It certainly has a significant attraction and value to it and it has tremendous growth opportunity. But, to do that, the industry has got to start investing in itself.

Madam Deputy Speaker, you and I, like everybody else, know there is no shortage of lobbyists in this industry. When people want something, they will come and knock at our doors, but they will not do it collectively. They will not look at this as an industry. One of the clearest examples of that was when we started looking at employment in this industry. I understand this, and I take the advice and evidence that was presented. A lot of employers were not of the view of investing in training because the staff may not be there—the employers have a high turnover rate and, if the employers invest, someone else is going to benefit from it. So they are not actually looking collaboratively as an industry at training. They are saying, ‘What’s good for me and my enterprise in my business?’ The trouble is that an industry is no stronger than the weakest link. I know there are cost inputs in this, but I think the member for Moreton is right: we do need to do various things, particularly in relation to recognition of prior learning. If someone moves from one business to another part of the business or to interstate or works in one of the resorts in the ski fields and picks up skills as they go, that should be seen as building up this collective skills base and almost as having a skills passport. But we do not
recognise that, as someone is a ‘new employee’ every time that they start somewhere else. That is something that has to change.

The sector of the industry that showed probably the most foresight in this regard was the Australian ski one. They knew that they had a very limited season. They knew that they wanted to attract people back into their sector of the industry in following seasons. They were trying to work collaboratively with each other in what they had to do to attract people back and how they would share staff around. Someone might stay in one resort one year and work at the chalet down the road next year—but it was all about their staying in the industry. That is how the ski sector was starting to see itself.

That is what has got to occur with this industry, and we have set out a range of recommendations that look at that. Training should not be seen as an impost on a particular employer but as an investment in the industry. If we are serious about growing this industry, that has really got to occur. For that to occur, one of the things that we need to do is, quite frankly, have the industry focus on itself. I actually wrote, as one of our key recommendations, that we see the establishment of an industry leaders forum to look at these issues over a range as wide as the industry itself. It would not be as to Joe Bloggs’s motel down the road or anything like that. It would be a coming together of all the very small parts. It would be the motels sector, the hotels sector, the chalets sector—all the tourism resort sectors—coming together to work out what they need to do to expand this industry as an industry. As I said, I have actually billed that as one of our key recommendations.

This industry has now got to pick up the lead that has been set by this inquiry and follow the recommendations in the report. We call on the federal government to help facilitate the establishment of an industry leaders forum to focus on these issues. I, the member for Moreton and every other participant in this committee believe that, quite frankly, for the tourism experience to be valuable it must in fact involve a lot of the labour force employed by this industry. Therefore, that needs investment if we are going to attract people back—as against the once in a lifetime ‘I won’t stay there again’ syndrome, the ‘Fawlty Towers’ syndrome—because attracting people back to the tourism experience is all about employed people and having those people trained, having those people accredited and having people who can move about in the industry safe in the knowledge that they are building up their skills. They include chefs to some extent. I know that to date all our views about apprenticeship training have been based on time. But for this industry it is probably not sensible to base everything on time, because a lot of it is seasonal and people may still be able to undertake their training whilst they are employed in a particular area. We should make sure that training in this industry is competency based and that the competencies are at least recognised and transportable to every employer that a person goes to.

Mr Hardgrave—They love our kids in Canada.

Mr HAYES—Exactly, and I take the point of the member for Moreton. One of the tragedies of all this is that those in overseas tourist destinations appreciate the training that has been done and the skills that have been developed by a lot of our young people, but we are not doing that when it comes to developing our own tourism industry. I think to some extent it is a matter of maturity.

We are now saying it is time to take the next step. It is time to move this industry forward. It is time to develop this industry to its potential. It is time to invest in the development of
skills and not simply provide a job before someone gets another job. We are now talking about developing careers to make this industry sustainable and to make this industry somewhere people want to work for a lifetime and get their passport to work all around this country in first-class facilities. The young people of this nation are entitled to be proud. They are certainly entitled to receive the training that is going to accredit them for full participation throughout their working life, hopefully in this industry. We have to now bite the bullet and realise that this is an industry worth working in and it is an industry worth having a career in—this is something the committee is unanimous on. (Time expired)

Mr HENRY (Hasluck) (5.35 pm)—This report of the House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation on the tourism sector is very timely, and it comes at a significant time of expansion in the Australian economy, which is seeing pressure placed on many industries, particularly with respect to the availability and ability of skilled workers to take up positions in communities across the country. As a nation, the economy has grown some 40 per cent over the last 10 years. The growth in Western Australia is predicted to continue for some years to come. Therefore, it is possible that the workforce challenges facing Australian tourism—and, more particularly, the Western Australian tourism industry—are likely to continue without some recognition of this report and its 25 recommendations, which are dealt with under the headings of employment in Australia’s tourism industry, addressing labour shortages and skills demand, recruitment and retention, investing in business, and training and taxation incentives.

Like many other industries, the tourism sector faces global competition for skilled employees. However, many available workers do not have the skills required to effectively carry out the work without additional training. As a committee we heard that the industry has a culture of turnover, which very much limits opportunities for training whilst supporting the seasonal flow of workers. Recommendation 3 goes to the thrust of this and suggests that industry in partnership with government look at developing a seasonal workforce plan to build community and industry cooperation, which would go a long way towards addressing the ebbs and flows created by the seasonal work pattern.

Restaurants, cafes and hotels have traditionally been great employment opportunities for part-time students or travellers wishing to supplement their income. Whilst previously the table and counter staff could be unskilled, as they had the support of the permanent skilled staff, employers are now finding the solutions to the problems much more difficult. In the past any shortcomings were covered by the skilled staff. It is increasingly harder for businesses to attract and maintain skilled staff. The training that is provided to staff is not retained because of this mobility of the workforce. They are frequently being poached for other higher paying positions within the tourism industry and other industries that are looking for people with ability. Many skilled staff are poached from the tourism sector while at the same time possible new entrants are finding employment in more highly paid industries such as in the resource sector. This is having a significant impact on businesses in the tourism sector trying to find suitable staff to fill vacancies.

The name of the report, Current vacancies, is well chosen, as currently, across the nation, chefs, service staff, kitchen staff and supervisors are in big demand. The Restaurant and Catering Association of Australia estimates that there are currently some 8,000 vacancies Australia wide. The resource sector is expanding with opportunities for skilled and unskilled work-
ers, providing lucrative employment options, which has seen a migration of workers from their chosen career into these better-paying opportunities. In my electorate of Hasluck we have the Swan Valley, which is well known for its winemaking and grape growing over many years. Over the past 20 years the Swan Valley has changed remarkably. We should all take the opportunity to visit there when in Perth. It is not very far from the CBD.

Mr Hardgrave interjecting—

Mr HENRY—It is fantastic. When driving along the length of West Swan Road years ago, you would have been lucky to pass a cafe. You may have been able to drop in to a couple of wine cellars for a drop of wine tasting or see sultanas drying in the drying sheds. I think there were only a couple of restaurants in the area at that time.

These days there are many good restaurants, cafes, wine cellars, boutique brewery operations, chocolate factories and cheese factories dotted throughout the valley. Indeed, Spring in the Valley is a great festival and is held at a wonderful time of year to celebrate the development of the tourism sector in Western Australia. Some 50,000 visitors visit boutique breweries and enjoy fine food, wine and music, as well as the arts and crafts on offer.

Indeed, it is very pleasing to be able to make this speech today while the Mayor of the City of Swan, Charlie Gregorini, the Deputy Mayor, Mel Congerton, and Chief Executive, Mike Foley, are visiting Parliament House in Canberra. The Swan Valley boasts some extraordinary restaurants and wineries, such as Sandalford Wines, with its annual program of bringing music to the valley, as well as the Riverbank Estate Winery, which I had the pleasure of visiting only recently.

It is not just in the electorate of Hasluck that the impact of the skills shortage is being felt. As the report indicates, it is being felt right across Australia. There is a need to address it, and many of the recommendations in the report go a long way towards doing that and ensuring that we develop a much more professional tourism sector than we may have had in the past.

Tourism helps define who we are. It enhances our Australian nature, our natural environment, our cultural diversity and our ecotourism. It puts genuine Aussie ingenuity on display for not just our neighbours but travellers from around the world. Along with other programs and campaigns that we have developed, we want to look our best and be at our best so as to encourage by word of mouth return visits. In 2006, there were 635,000 international visitors and six million—a huge figure—domestic visitors to Western Australia, with a combined expenditure of some $4 billion. The tourism dollar has been steadily growing, apart from a slight drop in the early 2000s.

It is well known that the hospitality industry is experiencing a very difficult time in filling vacancies. I have been able to assist some constituents—restaurateurs and people running hospitality venues—in my own electorate of Hasluck with advice on 457 visas and other options to help ease this labour problem. This report makes a number of very worthwhile recommendations, such as data collection and analysis to provide for comprehensive workforce planning. Recommendation 11 details the visa extension of up to two years for overseas tourism and hospitality students who comply with education and training conditions. This would be a sensible and an attractive option to assist in alleviating the current shortfall in some of these fields.
I agree with the member for Werriwa, who just spoke on the report, about recommendation 12, which recommends the establishment of an industry leaders forum to promote career choices and opportunities in the industry. As a result of a review carried out in 2005-06 of the separate training packages for those in the hospitality and tourism industries, it was recommended that those packages be combined into one package. A new package was then developed with extensive industry consultation. It has been formally endorsed by the industry but has not been unanimously endorsed by the states and territories. I urge those states and territories to endorse it so that we can overcome some of these difficulties and ensure that some of the recommendations of this report with respect to vocational training and education in the tourism and hospitality area can be implemented. All the recommendations are sensible and should be implemented to address the skills shortage. I look forward to that occurring.

With some 22,700 people commencing Australian apprenticeships in tourism in the 12 months to March 2006, a range of measures have already been put in place to make apprenticeship systems more accessible, including more flexibility for the delivery of on-the-job training components and incentives for employers who offer employment related training, including mid-career apprenticeships and higher technical skills announced by the Prime Minister in the Skills for the Future package.

We have a lot to do, but quite clearly this report addresses a number of critical issues in the tourism industry. I believe that, if the recommendations in the report entitled Current vacancies: workforce challenges facing the Australian tourism sector were implemented, they would go a long way towards addressing that outcome. I commend the report.

Mr MARTIN FERGUSON (Batman) (5.44 pm)—I welcome the opportunity as the shadow minister for transport, roads and tourism to speak in the Main Committee on what I regard as an important report, entitled Current vacancies: workforce challenges facing the Australian tourism sector. I thought it would also have been appropriate if the Minister for Small Business and Tourism had found time to attend the Main Committee to compliment the committee on an exceptionally good job. It is a much-needed report. I know she is a very busy woman, planning her next overseas trip.

As we all appreciate, the work of the House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation, with the assistance of the secretariat, is exceptionally important to the tourism industry. A huge amount of work has been undertaken by the committee and the secretariat in pulling together all of the evidence and the associated material received by the committee over an extended period. On behalf of the opposition, I can simply say that we welcome the report, and we will be having considerable regard for its recommendations. I say that because I think it is fair to say that the time-honoured image of Australia’s tourism sector as a fun-loving, easygoing industry to work in, with parties at every turn, has been hardened in recent years. There is a huge challenge confronting the industry.

Much like the industry itself, the tourism market force has undergone significant change that adapts to radically changing global trends both within and outside the tourism industry. Labour shortages have emerged as a key factor affecting the future growth and viability of Australia as skilled workers become a rare resource. Australia’s $81 billion tourism industry is not immune to this trend. If anything, it has felt the effects more acutely. It is a people focused industry with high service standards and requirements and consequently demanding labour
requirements. Yet, unfortunately, as a sector it is struggling to maintain competitiveness with other sectors which have the capacity to offer higher wages and better conditions, such as the provision of housing in the resources sector. Bus tour drivers who have a heavy vehicle licence are being lured over to the mining sector where, without any need to upskill, they are offered three times the wage they earn in tourism. The same goes for young people starting out in life. Why not work in the mines on a fly in, fly out basis and earn at least twice as much as they can in hospitality, without having to deal with the poor image associated with the tourism sector? That is also a key issue addressed by this report.

Unfortunately, while tourism from a tourism perspective is an industry defined by new and enjoyable experiences, relaxing holidays by the beach or exciting adventure tours, it is characterised in a less than glamorous way for the actual workers in the tourism businesses. As the committee found, the reputation of the tourism industry is that it is an industry of hard work, bad conditions and relatively low pay. This is a point not disputed by the operators, employer representatives or employee representatives who gave extensive evidence during the work of the committee.

I might say that it is a trend that has been exacerbated by the Work Choices legislation, as admitted in evidence by the hotels and motels association, an employer organisation. The organisation indicated to the committee that there were regular breaches of employment law and nonadherence to award conditions, unfortunately, in parts of the industry. I say this is a shame because there are a lot of good tourism businesses out there seeking to do the right thing by their workforce and the industry at large, many of them small to medium sized operators, who believe in the work of the sector and want to realise its potential by pulling together.

This report appropriately outlines that there is a role for everyone to play in helping the industry to address the serious issues, and the tourism business operators and industry as a whole are no exception. I do not think we need to suggest that operators and the industry as a whole do not know the requirements that are ahead of them. You do not need to have a master’s degree in marketing and brand development to know that the tourism industry has a serious image problem when it comes to employment options for our young people. There is a widespread perception in the Australian community that employment in the tourism sector is not the start of a career path, but rather it is the job that you have as you pass through to where you want to end up with a career option—short-term employment to earn a few dollars on the way through.

This disappointing fact is reflected in the high turnover rates of staff within the hotel industry, which is an additional cost to industry. The Sustainable Tourism CRC noted in its submission to the committee that turnover rates were between 39 and 84 per cent, depending on the level of the role. The CRC also found that the main reason for the employers’ turnover were low pay, poor working hours and the need to search for better career opportunities. It is a disappointing fact, because the tourism industry is an industry where you can work your way up through a career path if you are prepared to stick to it. It can be a very rewarding career path and it can fulfil all the requirements of meaningful and stimulating work.

The industry therefore needs to get out there as a matter of urgency and celebrate its success with stories about its success. While the sector is made up primarily of small to medium sized businesses, they are businesses that all face the same challenges yet are driven by the same goals of increasing not only numbers on the ground but tourism yield while maintaining

MAIN COMMITTEE
a high product and quality product standard. This provides the sector with a unique opportunity to come together and for a collaborative approach to training and skilling to ensure the future viability of the industry.

Unfortunately, the industry currently lacks coordination in several key areas—an issue that was brought to the fore through the committee’s work, which noted that opportunities in training were being missed. These opportunities include looking beyond just young people as the traditional pool of workers. There are vast opportunities to be seized in encouraging more mature age workers in tourism, particularly those already travelling that are commonly known as the grey-haired nomads. Opportunities also abound in employment of Indigenous Australians, and this comes with the double benefit of realising the massive growth potential of Indigenous tourism in Australia. I, therefore, wholeheartedly support the recommendation of the committee to support the identification of barriers to the employment of older workers and an inquiry into the opportunities for Indigenous tourism growth and associated employment and, more importantly, training opportunities. It is one of the many common-sense recommendations to arise from the report.

Another is recommendation 11, which would enable overseas tourism and hospitality students to extend their visas by up to two years once they have successfully completed their tertiary courses. They must be courses of some standing and significance and they must have undertaken an appropriate level of work placement as part of their course completion and training program. However, while I fully support this initiative, I do have some reservations about offering the option of moving into the permanent migration scheme after the completion of two years continuous employment. Those reservations relate to a pilot trial to fill vacancies in the hairdressing field. On all available evidence, this is a trial that is not working. The trends today see participants move out of the area of demand, in hairdressing, once their permanent residency status has been approved. We want people who actually take up these opportunities to give a commitment to long-term employment in the tourism sector, especially in rural, remote and regional Australia, and not to use it as an easy entry point to Australia for short-term visas and appropriate long-term migration opportunities.

I do not believe that this option will therefore solve the industry’s labour requirements. The industry has to refocus and re-engage the Australian workforce and, in doing so, improve its retention rates, better train its workers and overcome some of the turnover costs associated with the industry. Having said that, can I say that the report includes many common-sense recommendations, including a better plan for the future of the industry, better research and willingness by all in the industry—all levels of government, the private sector employees and their unions—to actively work together to overcome the challenges identified in the report. In the meantime, as an interim measure, I implore everyone in Australia, including businesses, to better manage their workforce and to encourage the Australian workforce to have a holiday and reduce the huge liability that currently exists in business for accumulated annual leave and long service leave. This can do an exceptionally big favour to the tourism industry, because we are very sluggish on the domestic tourism front. I commend the report to the House.

Mr BRENDAN O’CONNOR (Gorton) (5.54 pm)—I rise to speak to the report that was tabled in the parliament today, Current vacancies: workforce challenges facing the Australian tourism sector. I take heart from the comments made by the member for Batman, the shadow minister for tourism, that indeed there were a series of commonsense recommendations made
unanimously by members of the committee. Tourism is a very important sector. It is growing quite rapidly. However, despite its growth and despite its increasing growth of GDP, it is an industry that has many challenges to overcome. Not least of all of the challenges that it needs to confront and overcome is the current skills shortages—indeed, just basic labour shortages.

We understand the difficulties that the tourism sector has to tackle on a day-to-day basis. We were able to meet with many businesses whose core business is tourism and hospitality, and they raised many concerns about the difficulty of attracting labour to their businesses. There were businesses, particularly in remote areas—very important tourist precincts, but quite often areas remote from capital cities—that were having difficulties attracting the necessary labour. It was not always about skilled labour; it was about just having the hands-on experience, the capacity to lend a hand in the peaks of the tourist period. So committee members in inquiring into this matter—an inquiry that we were asked to do by the minister for tourism—sought to look at some practical measures that could mitigate the adverse effects of labour and skills shortages in the industry and recommend them directly to the executive government for it to consider and hopefully incorporate into its policies.

A number of the recommendations looked at ways in which we could change current law in a way that would enable certain people to work for longer periods. For example, people on particular visas might be able to extend those visas if they work in remote areas, so that businesses in remote areas of the country would be able to attract sufficient staff to ensure their businesses were prosperous. As the member for Batman indicated, we were also concerned about increasing the participation of older workers in the sector. I guess there we are talking about domestic workers—that is, the Australian residents who should be able to supply the shortfalls in labour demand in these critical areas.

Of course, there were also concerns raised—and this is where the members differed somewhat—over whether Work Choices legislation was a benefit or not to the industry. We did have some alarming evidence in the transcript that pointed to behaviour which I do not think anyone would condone. Indeed, the representative from one of the employer bodies—the Hotel, Motel and Accommodation Association—indicated that there were many employers in the hospitality industry that were in breach of laws prior to Work Choices but who, because of Work Choices, were no longer in breach of the law. It was put to that witness, ‘What you are saying is that there were people who broke the law and, because of Work Choices, they still do the same thing but they do not break the law?’ and he answered yes. That was a concern, certainly to Labor members of the committee. We did not think the government should be assisting businesses to find ways to drive down wages and conditions by allowing something that was unlawful yesterday to be lawful today. I am not suggesting that all government members would think that was the best thing to do, but clearly this was a representative of an employer body who thought he could now do that. And it seemed he was advising members of that body to do exactly that.

Leaving Work Choices, and the industrial relations law generally, out of the equation, the members of the committee focused most of their energies on looking for ways to mitigate the shortages that exist. I think that the committee members participated very constructively and consensually, particularly in looking to find unanimous recommendations to put to the executive government. I appreciate the efforts of the former chair, the member for Deakin, who has
an interest in the area but has an interest in training as well. Of course, the member for Moreton took over his role halfway through the inquiry, and we worked well there.

I would like to put on the record our appreciation for the secretariat. They did a magnificent job. The secretariat not only collated the information, the primary sources and the secondary sources, and brought together the evidence but also were heavily involved in drafting reports for us to look at, examine and then consider whether we would amend or accept. I think through their good efforts we have come up with a report that focuses on common-sense recommendations that will be useful for the tourism and hospitality sector in addressing the problems that it currently confronts.

I also add that the member for Werriwa, who took over as the deputy chair, along with the chair played a very proactive role in ensuring that the report was ready and is of sufficient quality for the executive government to consider. Now that the report has been tabled, it can be considered by all members including the executive government.

Debate (on motion by Dr Washer) adjourned.

APPROPRIATION BILL (No. 1) 2007-2008
Consideration in Detail
Consideration resumed from 14 June.

Prime Minister and Cabinet Portfolio

Proposed expenditure, $289,439,000.

Mr ALBANESE (Grayndler) (6.02 pm)—I refer the parliamentary secretary to the 1 June Liberal Party fundraiser at Kirribilli House and to the Prime Minister’s response in question time last week, where the Prime Minister assured the House that there were guidelines governing the use of official residences. When were those guidelines developed, have they been amended and can a copy be tabled?

The DEPUTY SPEAKER (Hon. BK Bishop)—The parliamentary secretary may choose to answer the questions as they are proposed, as you have done, or he may choose to answer at the end.

Mr Anthony Smith—I will answer at the end.

Mr ALBANESE—Just seeking advice—is the parliamentary secretary intending to answer all the questions at the end?

The DEPUTY SPEAKER—That is what he seemed to indicate to me. Is that your intention, Parliamentary Secretary?

Mr Anthony Smith—My intention would be in summing up at the end to address all of the questions that have been raised. Those that I can answer here, I will answer here, and I will take the others on notice.

Mr ALBANESE—The Prime Minister stated that he had oral advice in relation to the use of Kirribilli for the Liberal Party function on 1 June. Why was oral advice necessary, who requested that advice, who provided that advice, when was that advice provided and can the parliamentary secretary perhaps table for the benefit of the parliament any evidence of that advice? I refer also to the 1 June function and ask the parliamentary secretary: who catered for this function? I also refer to the Prime Minister’s statement about reimbursement of additional costs for this function and ask the parliamentary secretary: what was the actual cost of this
function? I refer also to the 1 June function and ask: were any departmental staff in attendance and, if so, what functions did they perform?

The Prime Minister wrote a letter to the Leader of the Opposition on 14 June, in which he revealed that the Liberal Party had paid back money to the Commonwealth for three other functions. Can we be provided with a cost breakdown for each of those functions—food, drink et cetera and the number of people in attendance? How were the costs reimbursed by the Liberal Party calculated? Has the same methodology been used for each of the four functions that have been identified? You might want to answer them now.

The DEPUTY SPEAKER—The parliamentary secretary did indicate to me that he wished to answer at the end of all questions of this section. Is that still your intention, Parliamentary Secretary?

Mr Anthony Smith—That was my intention.

Mr ALBANESE—We will break it into sections, if you like. There are a range of other things we wish to pursue.

The DEPUTY SPEAKER—As I indicated to the chamber, it is the choice of the parliamentary secretary to respond now or to respond at the end, to take those things on notice which he deems fit or to answer those things which he wishes to.

Mr Anthony Smith—I do not know when the end is, of course. A sensible way to handle this, given the number of questions, is for me to respond towards the end of the allotted time, taking into account any questions that are asked not just by the member for Grayndler but by any other members as well. Those that I can answer here, I will answer here. Those that I can take on notice, I will take on notice.

The DEPUTY SPEAKER—The allotted time is 45 minutes. Does the member for Grayndler wish to ask further questions?

Mr ALBANESE—I have further questions but not on that item.

The DEPUTY SPEAKER—Anything within the portfolio of Prime Minister and Cabinet?

Mr ALBANESE—Yes, of course they are within the portfolio of Prime Minister and Cabinet, but that is the bracket of questions on the 1 June function. Perhaps if the parliamentary secretary—

The DEPUTY SPEAKER—He has indicated he wishes to answer at the end.

Mr ALBANESE—No, he hasn’t, but you have indicated that.

The DEPUTY SPEAKER—I will ask the parliamentary secretary: what is your intention?

Mr Anthony Smith—Madam Deputy Speaker, you did articulate my intention quite accurately. I will just repeat for the member for Grayndler what I just said two minutes ago: it was my intention, towards the conclusion of the allotted time, which he will know is 45 minutes, to make any remarks I wish to make in response to remarks made by those opposite, to answer any questions here and to take any questions on notice.

Mr McMULLAN—With respect, this is the most nonsensical and least useful set of procedural arrangements I have ever seen in this consideration in detail of pro-
posed expenditure. It is true that it does not need to be a table tennis match backwards and forwards, but when there is a series of questions on a similar matter—

The DEPUTY SPEAKER (Hon. BK Bishop)—I would ask the member for Fraser if he is asking for a point of order.

Mr McMULLAN—No, I am speaking about the way these matters are being considered—for example, when I do get up to speak to the portfolio, it will be nothing to do with these matters.

Mr Anthony Smith—Madam Deputy Speaker, I rise on a point of order. This is precisely our point. I do not know what the member for Fraser is going to raise—that is why I proposed, given the choice, that it would be sensible to address all of the issues raised in one section at the end. That is why—

The DEPUTY SPEAKER—The choice is yours, Parliamentary Secretary. I call the member for Fraser if he has further questions.

Mr McMULLAN—I just want to speak on this matter of how these particular consideration in detail arrangements are being handled. I have never heard or seen a set of arrangements so designed to prevent people getting information rather than to facilitate them. It is true that the parliamentary secretary should be entitled to expect members to say, ‘I have concluded all the questions I have on that particular section,’ and then expect the parliamentary secretary to respond. I realise the standing orders cannot force him to respond, but it is the only sensible, reasonable and normal thing to do—for example, I have some questions to raise about COAG. Why you would want to answer COAG questions in the middle of questions about Kirribilli I cannot imagine.

So it is perfectly reasonable for the parliamentary secretary to say at the end of five minutes, ‘Is that the end of all the questions in that area?’ and if not for the person to go on until they are concluded. It is totally unreasonable to say, ‘Go for 40 minutes and then I will tell you what I am going to say about Kirribilli, about COAG’—about any other matter that someone might come along and raise. So let us try and get the procedure a little more cooperative, get all the questions in one particular section and then get such responses as we have and then go on to the next section, and I think we might do a bit better.

The DEPUTY SPEAKER—I would advise the member for Fraser that the parliamentary secretary has answered that point. Are there further questions, from any member, of the parliamentary secretary?

Mr Albanese—Yes, and we are deciding in what order we will do them.

Mr McMULLAN—Thank you. I have to say, Madam Deputy Speaker, I think your contribution is distinctly unhelpful. But you are entitled to be as unhelpful as you choose.

DEPUTY CHAIR—Are you reflecting on the chair, Member for Fraser?
Mr McMULLAN—I am describing my views.

DEPUTY CHAIR—Are you reflecting on the chair? That would not be advisable.
Mr McMULLAN—I will ask some questions now; thank you.
DEPUTY CHAIR—Good.
Mr McMULLAN—Regarding COAG, these are questions that could have been asked of Treasury or Finance or PM&C because they overlap, but we do not want to do it three times so, with respect to the parliamentary secretary, I will raise them here because they do relate to the responsibility of Prime Minister and Cabinet with regard to federal-state relations—federal-state relations more broadly and to some extent COAG in particular. I want to try and get from the department and the parliamentary secretary some sort of understanding of what action the government has taken with regard to the several independent reports that have come forward identifying the massive waste of taxpayers’ dollars involved in unnecessary duplication of administration and particularly in relation to the manner in which specific purpose payments are managed and the duplication that is envisaged.

Not all of the assessments provide figures. The one that does is the report by Access Economics commissioned by the Business Council of Australia, which says in its report that the cost to the federal government of administering grants to the states—that is specific purpose payments over and above the costs of either the states or the federal government directly funding and running the programs themselves—is $861 million, and overlap and duplication in areas where both the states and the federal government are operating at the same time is $913 million. And there is also an analysis of cost shifting from the states to the Commonwealth and vice versa.

Then there are some other numbers which lead to the BCA Access Economics $9 billion figure for economic costs. I do not want to refer to the $9 billion figure, firstly, because it does not all relate to costs to government—one of it is just costs to the economy—and, secondly, because I am not sure that I agree with all the analysis. But it is a very powerful estimate. Even if we say it is double, that Access Economics has doubled the actual number, the overlap and duplication cost is $860 million. Let us say it is only $400 million and the second area of overlap and duplication is $900 million. Let us say it is only $450 million—that they once again got it totally wrong—we are talking about cost to the taxpayers of about $1 billion. There is no sign of any action by the government to save any of that money.

The state heads of treasury have got together and looked at the way in which specific purpose payments are administered. They have said there are problems with specific purpose payments—lack of flexibility and efficiency incentives, duplication of roles and responsibility, costs of compliance and administration—and we have seen examples raised by Allen Consulting of specific purpose payments that cost more to administer than the value of the grant. They have had lack of consultation and blurred accountability.

Then we had the report of Allen Consulting into, amongst other things, specific purpose payment arrangements. They raised a whole series of problems about the inefficiencies generated by excessive attention in specific purpose payments for control of inputs instead of control of outcomes, which is hard to define—outputs at least. We get excessive regulation and detail at a massive cost to the taxpayers at both levels—and they are the same taxpayers—and to the economy as assessed by Access Economics. I wonder whether the department and the two associated departments engaged in this—but I will ask it in the context of PM&C—have focused any attention on this and whether they have done anything to seek to save this money. (Time expired)

The DEPUTY SPEAKER (Hon. BK Bishop)—Parliamentary Secretary, do you wish to take that on notice or do you wish to speak?
Mr ANTHONY SMITH (Casey—Parliamentary Secretary to the Prime Minister) (6.16 pm)—Madam Deputy Speaker, you know that I am well-known for cooperation. Given the fact that we have had two contributions, that there will be a third and that the time allotted for the debate is about another half an hour, I will take the opportunity to respond to the first two sets of questions now that I have heard them and then we can move on from there.

The member for Fraser, who has just completed his remarks, referred to a number of reports and a number of claims in the reports. He mentioned Access Economics and Allen Consulting. The Leader of the Opposition is on the public record on the Jon Faine program in Melbourne. He said that he thought there could be major savings in the health portfolio, an interesting claim to make and one that this side of the House notes very carefully. I am not aware of any material that this department could provide. I will not waste the time of the Maim Committee other than to say that I will take all of his remarks on notice and to the extent that I can answer them on notice, I will do so.

With respect to the member for Grayndler’s long series of questions which have been read into the Hansard, can I again say I will certainly take those on notice and to the extent that I can provide any information, I will. I have no material that would enable me to add to what the Prime Minister has said in the House. I refer the member for Grayndler to a number of points the Prime Minister made in the House about the costings, the advice and the sequence of that. As I said, I will happily take his very specific questions on notice and to the extent that I am able to provide an answer, I will.

I point out to the member for Grayndler that it is interesting that he is raising these questions in this debate when he did not raise them in the House today. I also make the point that, when the member for Grayndler and those opposite spoke about these issues, they merely confirmed to the Australian people their complete inability to make policy in key areas that are of vital importance to the Australian people.

The member for Grayndler will also know from following debate in the House of Representatives that the issue of Kirribilli was well highlighted by a number of government ministers, the Prime Minister included, particularly with respect to its use by former Prime Minister Hawke and former minister Graham Richardson. He would note that passages were quoted from a book by Marian Wilkinson entitled The Fixer: The untold biography of Graham Richardson—unless I stand corrected.

The member for Grayndler listened to those quotations which confirmed that, unlike the function the Prime Minister hosted which was not a fundraiser, the fundraising at Kirribilli occurred solely under Prime Minister Hawke and that the figures that were expected—if I remember the quotes from Marian Wilkinson’s book The Fixer—were $10,000, $20,000 or up to $100,000. The House should note that the member for Grayndler has not, to my knowledge, said one thing about his view on that matter. Have you criticised former Prime Minister Hawke or former Minister Richardson? No. There is silence. That absolutely highlights the complete hypocrisy of the member for Grayndler and of those opposite when they talk on this issue.

Mr ALBANESE (Grayndler) (6.20 pm)—I am pleased that we have at least had some engagement from the parliamentary secretary. However, we have had no defence with regard to the facts around the 1 June fundraiser held by the Liberal Party at Kirribilli. It is interesting that, in his defence of the Prime Minister, the parliamentary secretary has again asserted that
this was not a fundraiser even though the Prime Minister said at his press conference last Thursday that it was. Indeed, the business observer registration form for that function indicates that, for the payment of $8,250, the only functions that cannot be bought into—that is, through additional tickets open to people who do not pay the full amount—are morning tea with chiefs of staff, the Senate afternoon tea and of course the Prime Minister’s welcome reception at Kirribilli. With all due respect to our good Senate colleagues and the chiefs of staff, the big attraction is pretty clear. If you add up the cost of the additional tickets that are available for each of the other functions, even if you went to two at one time, you would pay a total of $1,300. So an additional $6,950 can be seen as being paid for that Kirribilli function alone.

I also note that it is argued that people were somehow there at the invitation of the Prime Minister. However, the registration form makes it very clear that forms had to be returned with payment to the federal council’s secretariat by Monday, 30 May 2007 and that all cheques had to be payable to the Liberal Party of Australia. That is the key problem here—that you have a function at Kirribilli House that is open to anyone who can afford the $8,250 fee. We were told that some $5,186.78 was returned—that is, for food, $2,128.50; beverages, $1,476.52; casual staff, $829.57; and hire charges, $752.19. That was stated in the parliament on Tuesday, 12 June. It is interesting that last Thursday the Prime Minister stated that additional money had been paid back by the Liberal Party, for security. In the letter to the Leader of the Opposition on 14 June, the Prime Minister stated, ‘$5,186.69, and an additional amount only advised to my office today of $312.45, that being for security.’ My question is: at what time was that additional $312.45 paid for security, was it only last week and, going to the other functions that have been held, when were the payments made for the 1999, 2002 and 2005 functions?

Mr ANTHONY SMITH (Casey—Parliamentary Secretary to the Prime Minister) (6.25 pm)—Can I first address the long preamble or the remarks of the member for Grayndler before the question. I point out that, in his latest and last contribution, he again illustrates and highlights his utter hypocrisy on this issue and the Labor Party’s hypocrisy on this issue. He cannot bring himself to mention the names Bob Hawke and Graham Richardson and the fundraisers that are detailed in Marian Wilkinson’s book The Fixer. He greets this with complete silence as if he has never heard of former Prime Minister Hawke or former Minister Richardson from his own state.

My understanding is that the member for Grayndler should have no difficulty criticising former Minister Richardson. But let me just point out again his complete inability to criticise, even in the mildest sense, what can only be regarded as an outrageous misuse by that former Labor minister and the former Labor Prime Minister. Let us recall the details in that book, which were relayed to the House last week, of $10,000, $20,000, $30,000, maybe even $100,000 back in 1987. What would those dollars be worth today, 20 years on? They would be worth significantly more.

I neglected to mention the other feature I recall from that revelation last week in the House of Representatives that, specifically, those guests invited to that dinner were asked not to provide the cheques to the Australian Labor Party until after the election—I will stand to be corrected, but I think the book also said this—thereby ensuring that some disclosure provisions could be circumvented. I think that is what the book said. At that time, I am not sure who the
federal director, or in Labor’s language their campaign director, was; but it may well have been—and I will stand to be corrected—the member for Fraser in 1987. Is that right? The election was in July. So we have a situation of great hypocrisy here.

Mr McMullan interjecting—

Mr ANTHONY SMITH—It is very interesting. The member for Fraser was their campaign director. This money was raised. It is not in dispute. But the member for Grayndler cannot even bring himself to mildly criticise let alone mention this. We now know, through confirmation from the other side, that the member for Fraser was spending the money that was raised, at the very least. I think that, when he interjected, he said that the money would not have come to the national head office of the Labor Party. That raises all sorts of other questions, doesn’t it? I tell you one thing, Member for Fraser: in 1987 I was 20 and in 1987 the member for Grayndler would have been about 30—or am I being cruel?

Mr Albanese—You are being very cruel!

Mr ANTHONY SMITH—The member for Fraser would remember everything, so maybe in the adjournment debate he could mention that. In regard to specific questions on the cost of security for this function and for previous functions, I do not have any information I could provide. You have put those questions into the Hansard. I am not sure whether you have asked them on notice. Whether you have asked them on notice or not, I am happy to take them on notice; and any information that can be provided in the normal way will be provided.

Mr ALBANESE (Grayndler) (6.29 pm)—My questions go to the statements of the Prime Minister just last week when he said, last Thursday, that Liberal Party functions were not held at Kirribilli House or at the Lodge. I refer to revelations on the weekend that, indeed, the Prime Minister hosted a function for the federal executive of the Young Liberal Movement of Australia on 18 October last year. Why did the taxpayer pick up the bill for this function? How does it differ from the 1 June fundraising event at Kirribilli where $5,100—now $5,400—was repaid by the Liberal Party? What was the cost to taxpayers of this event? How many Young Liberals were in attendance at this function? When did the Prime Minister seek advice on who should pay for the function? Was advice sought prior to the 18 October function, or was it sought last week, perhaps even on Saturday, as a result of inquiries which were made? How many other Liberal Party functions have been held at the Lodge and Kirribilli House for which taxpayers have paid the bill? Could the parliamentary secretary table the details of each of these functions, what they cost the taxpayers, who was in attendance and any advice which suggested that it was appropriate that taxpayers pay the bill?

I also refer to the Prime Minister’s A guide on key elements of ministerial responsibility of December 1998, which states:

Ministers are provided with facilities at public expense in order that public business may be conducted effectively. Their use of these facilities should be in accordance with this principle. It should not be wasteful or extravagant. As a general rule, official facilities should be used for official purposes.

What was the official purpose of the Young Liberals function? What was the official purpose of the four Liberal federal council fundraising events that were held at Kirribilli House and the Lodge? A further question is in respect of legal advice with regard to the clear breach of the Commonwealth Electoral Act that has occurred as a result of these fundraisers being held at Kirribilli and the Lodge: has the Department of the Prime Minister and Cabinet had any
role in considering the legal advice in respect of the use of Kirribilli and the Lodge? Also, has the Department of the Prime Minister and Cabinet had any contact with the Australian Electoral Commission over this matter and, if so, what has that contact consisted of?

**Mr Anthony Smith** (Casey—Parliamentary Secretary to the Prime Minister) (6.34 pm)—Again there is a whole series of questions there. Let me deal with some of the last questions first. On the issue of legal advice with respect to electoral donations, which I think was the import of the member for Grayndler’s question, he stated that there was legal advice of a clear breach. That is not correct. There was legal advice, as is my understanding from watching news reports last Thursday evening and reading press reports on Friday, obtained by the Australian Electoral Commission.

**Mr Albanese**—No, that is not right.

**Mr Anthony Smith**—Or the Australian Electoral Commission said that they had obtained legal advice and the AEC had determined its position. When the member for Grayndler says that in his view there is clear advice I think he is referring to the advice obtained either by himself or by the opposition. That is my understanding. I know that those opposite have sought advice. I saw advice littered through the papers on Saturday from one person whose name I recognise: Anthony Lang. Unless he is someone with the same name as a very well known and longstanding member of the Labor Party, then it is the same Tony Lang from Melbourne. The point I am making is that I am sure those opposite will get legal advice, but the Australian Electoral Commission—an independent agency—has determined its position on this matter.

With respect to your specific questions about any contact the Department of the Prime Minister and Cabinet may have had, I am not aware of any. Obviously if I have anything to add to that, I will let you know. With respect to your other request to table details of who, when, where, how and at what time, it will not surprise you that I do not have anything to table. I am not aware of any of the details of the matters you raise or request.

As to your generic questions about the news stories in the weekend papers about members of the Young Liberal Movement having dinner at the Lodge, I simply point out to you that, naturally, when a Prime Minister occupies the Lodge—as Mr Keating, Mr Hawke and all of those before them did—they are entitled to have people visit and attend. If the member for Grayndler was being at all level headed and sensible he would recognise that point. As to his very specific questions, I am not aware of any of the detail. To the extent that I am able to provide him with detailed answers, I will do so in the normal way. I will treat them as questions on notice and any replies that are forthcoming will be provided in the normal way.

**Mr Albanese** (Grayndler) (6.38 pm)—On behalf of the opposition I say to the Parliamentary Secretary to the Prime Minister that the opposition has no disagreement with the idea that the Prime Minister is entitled to have people visit and attend the prime ministerial residences. We do take issue with the fact that there are two residences—unlike what other Prime Ministers have seen fit to do—at extraordinary cost to the taxpayer. We have a problem with the undermining of the very principles of disclosure in the Commonwealth Electoral Act and the use of the national estate for fundraising purposes by the Liberal Party. That clearly is what has occurred with these events. With the 2005 and 2007 invitations, the program outlined four business observers. In 2005 it makes it clear that the fee of $7,500 is a conditional
amount to attend the fundraising function at the Lodge. In 2007 it is $8,250 at Kirribilli House.

It is clear that, unless there is payment made for the hire of the venue, the concern is that having such a fundraiser at Kirribilli House saves the Liberal Party money—compared to if they had to hire a private venue—and therefore increases the amount of money made from that fundraising activity. The reason that disclosure of gifts is there is to stop people donating and not disclosing through the normal processes. It is quite clear that the figures, which go to $9 a head for food and some $6 a head for drinks, for the Kirribilli House fundraising function—which has become known as the cash-for-canapes affair—are simply totally inadequate. Anyone who knows anything about Sydney prices knows that. The Prime Minister was given the example in the parliament of the restaurant Guillaume at Bennelong, just across the harbour. The starting price there is $60 per head, and that excludes alcohol and venue hire.

The concern here, as I think Australians know, is that to get food and drinks for that price they would have had to have caught the fish out of the harbour themselves—and perhaps hopped the fence and shucked a few oysters themselves. That simply is not the case. That is why we are asking for the real costs of that event. We reiterate that to the parliamentary secretary. I am surprised that he has not had a single answer prepared on any of this—this has been a prominent issue for nine days now and yet the representative of the Prime Minister, before this session of the Main Committee, has not been able to provide a single figure. So I ask again: what were the real costs of the 1 June cash-for-canapes function held at Kirribilli House to raise funds for the Liberal Party?

Mr ANTHONY SMITH (Casey—Parliamentary Secretary to the Prime Minister) (6.42 pm)—I am happy to receive exactly the same questions from the member for Grayndler five minutes or so after he last asked them and I am happy to give him the same answer. I will take the opportunity though to correct a couple of other statements he made. I think he indicated earlier that the Australian Electoral Commission had not received legal advice. I will read from the statement released by the AEC last Thursday. It says, ‘Legal advice provided to the AEC.’ So clearly—

Mr Albanese—Provided by the Prime Minister’s office—by the Solicitor-General.

Mr ANTHONY SMITH—The member for Grayndler is complaining that legal advice has been provided by the Solicitor-General—instead of legal advice provided by Labor lawyers; is that your point?

Mr Albanese—You just said it was independent advice.

Mr ANTHONY SMITH—Mr Deputy Speaker, it is quite clear what the member for Grayndler is seeking to do. These issues were so serious to him that he did not ask a single question in question time. He was told by his tactics group—

Mr Albanese interjecting—

Mr ANTHONY SMITH—that he would have to take it all up here. The Prime Minister has addressed all of these issues in great detail. I will finish where I started on this. The more the member for Grayndler talks, the more he confirms that those opposite have no serious policy plans for the Australian public. We know that the member for Grayndler has been spending all of his time researching catering menus around Sydney. We are sure that he is an expert in that field and we are sure that he and some of his colleagues have spent every min-
ute of every day researching various menus for various catering facilities. But the issues he raised have been answered. He cannot hide his complete hypocrisy on this issue—his failure to mention former minister Graham Richardson, former Prime Minister Bob Hawke and their outrageous fundraising and attempt to avoid disclosure at that time, with hundreds of thousands of dollars. As we have discovered tonight, the member for Fraser was the campaign director of the Labor Party at that time. It simply does not wash.

The member for Fraser has asked a whole host of questions. Many of those questions have been asked and fully answered in the House. To the extent that any new information can be provided, it will be provided—and he knows that. This whole issue speaks for itself. I am sure he will have further questions. I thought he would have raised them today in the parliament or at his morning doorstep interview, but of course he did not. He has asked all of his questions and, to the extent that any information can be provided, it will be provided.

Mr ALBANESE (Grayndler) (6.46 pm)—I refer the parliamentary secretary to the comments made by the member for Moore, who is here in the chamber. I think that if any illegalities have been created then they should be investigated. That has certainly been the concern of the Labor Party—that there has been a breach of the Australian electoral law. I refer also to the comments by Mr Bodel, the Australian Electoral Commission official in charge of funding and disclosure, who made it clear that he believed there was a case worthy of an investigation on whether there had been a failure to disclose. Later on, he was reported as saying that he had basically been told to shut up on this issue. Can the parliamentary secretary assure the parliament that the Prime Minister’s office or any other minister’s office has not been involved in the attempted intimidation of the AEC? We note that, between the Prime Minister giving his press conference just prior to two o’clock last Thursday and the 6 pm news, the AEC released a statement saying that they had received advice—which of course had been foreshadowed by the Prime Minister in his press conference—and that that advice was from the Solicitor-General. Will the Prime Minister’s office ensure that there is no intimidation of the AEC or its officers over this issue and allow for the proper consideration of the independent legal advice which has been provided to the AEC?

Mr ANTHONY SMITH (Casey—Parliamentary Secretary to the Prime Minister) (6.48 pm)—The member for Grayndler’s questions could be easily answered if he would just take the trouble to read the statement from the AEC on the morning of 14 June, in which the AEC announced that it was examining any potential disclosure obligations under the Electoral Act in relation to a function hosted by the Prime Minister and noted suggestions that the government may have attempted to silence or constrain the AEC in its responses to the media on the issue. The statement says:

“The AEC takes its integrity and independence very seriously and I want to make it quite clear that no attempt was made by the Government or anybody else to influence the AEC in its response to this issue,” Electoral Commissioner, Mr Ian Campbell said.

The member for Grayndler asked the question, but he is obviously not interested in the answer. Obviously, he has not read the press release. It continues:

“Contrary to some media reports, the AEC Director of Funding and Disclosure, Mr Kevin Bodel was not asked by the AEC or the Government to “shut up” regarding these matters.”

Mr Albanese—I haven’t seen him saying that.
Mr ANTHONY SMITH—This is a press statement. I would say lots of things about the member for Grayndler, who I have known for a few years now, but I would never say that the member for Grayndler is not capable of reading a media statement. I think he has read the media statement and he has read what has been said by the Electoral Commission. And when he chooses to ignore it, he is simply casting aspersions on the Australian Electoral Commission. If he wishes to do that, he should do so in another place.

Proposed expenditure agreed to.

Attorney-General’s Portfolio

Proposed expenditure, $3,724,746,000

Ms GRIERSON (Newcastle) (6.50 pm)—Thank you to the member for Brisbane for indulging me in this section. My question is to the Attorney, regarding a very welcome $200,000 in the budget for a feasibility study for a new Family Court in Newcastle. My question is: Attorney-General, given the discussions you have had on numerous occasions with the legal fraternity and the Family Court registry staff in Newcastle, what impact will this further study have on bringing about a new Family Court facility in Newcastle and on attaining a Federal Court in Newcastle?

Mr RUDDOCK (Berowra—Attorney-General) (6.51 pm)—I do not have any precise briefings on the issue but, as I understand it, we make a commitment in budgets for specific proposals which are a known quantity. I know that needs have been identified by the local profession and have been mentioned to me by the Family Court and the Chief Federal Magistrate. There are issues about accommodation in the context of the adequacy of the present accommodation and the term of the present commitments. This is about ensuring that there is resourcing to make the further judgements as to what is required and about ensuring a proper recognition of the court’s needs. When an appropriate proposal is developed, I am sure it will be something that the government will want to support.

Ms GRIERSON (Newcastle) (6.52 pm)—My second question is: Attorney, given your powers in terms of appointing the federal magistracy, was there an allocation in the budget for any performance review of how the federal magistracy are delivering services in federal courts, their suitability and the way they are taking on some of the complexities of their new roles? If so, what methodology and processes are in place?

Mr RUDDOCK (Berowra—Attorney-General) (6.53 pm)—Others might be interested in this answer. We have a Constitution here in Australia and there is a doctrine of the separation of powers. I have sometimes wanted to look at the performance of a number of our courts, and I have wanted to help the parliament to obtain information about performance so that some objective measurements could be made. I am told that there may be some willingness to look at some of those issues in a generic form, but they are matters about which the courts have a very strong view. So I would have to say that there are no specific proposals for the sort of monitoring that the honourable member suggests is possible.

But what I can say is that, if you want to use some anecdotal evidence, the Magistrates Court has been extraordinarily successful. There has been an enormous shift in the matters that are being dealt with in family law generally from the Family Court to the magistracy. There is some data published about the extent to which requests are made in particular jurisdictions for matters to be transferred from one list to another. I notice that the member for
Brisbane is in the chamber, and he may want to speak later. I saw some figures for the Brisbane court which demonstrated that the requests to the magistracy ran into many hundreds. The requests to go back to the Family Court were about a quarter or even less than that on the information that I had seen. I get anecdotal information as well from practitioners about how the federal magistracy is performing with very high levels of productivity. When you have the profession in some areas speaking with their feet, it suggests that it is doing very well.

A further point is that these comments should not be seen as a reflection on the Family Court, which, in our expectations, is expected to deal with the more complex and more difficult issues. One would expect that the workload of the matters that are more complex and more difficult might demand more time and certainly greater deliberation than less complex matters.

The only other point I would make is that in Newcastle, as you would be aware, a person who had been a magistrate was seen fit to be promoted to be a judge in the Family Court there. I understand that she has been very highly regarded, both as a magistrate and now as a Family Court judge. I might say that she is not alone. There are a number of others who were similarly able to be successful magistrates and whose qualities were later recognised in an appointment to the Family Court bench.

Mr BEVIS (Brisbane) (6.57 pm)—I will commence by asking the Attorney to comment on a couple of matters associated with the resourcing of ASIO and the skills set that exists within ASIO currently—in particular, the capacity for foreign language skills within ASIO and whether or not there is provision to deal with an expansion of the foreign language skills. Also as part of that broad question, what initiatives are on foot to encourage recruitment in ASIO of people from non-English-speaking backgrounds in particular? I would be interested in the Attorney’s comments on that field.

Mr RUDDOCK (Berowra—Attorney-General) (6.58 pm)—Again, I say to the honourable member for Brisbane that I know he has special responsibilities within the opposition and that, if he were to be rewarded with a ministerial post which saw—

The DEPUTY SPEAKER (Hon. DJC Kerr)—A hope that we hold high, Attorney.

Mr RUDDOCK—I understand you may hold it high, but I suspect that he is going to be disappointed. But if he were to be so rewarded, he would find himself pressed by somebody from this side of the House on those same issues and be in the unfortunate position of not being able to elucidate very fully. There are good reasons for that. As to issues that go to security agencies and the way in which they are resourced to carry out particular functions and the skill sets that they have, to discuss those would, I think, prejudice security. I am perfectly happy for the honourable member to be briefed on those matters separately, but I do not think it is appropriate to canvass them in a broad-ranging debate, save to say that the importance of having linguistic skills is not something that escapes the attention of others. That is all I would want to say.

Mr BEVIS (Brisbane) (6.59 pm)—I thank the Attorney. I will not press the point. I understand what he is saying. I might avail myself of his invitation. A related and not quite so sensitive issue within the A-G’s broad portfolio is Federal Police numbers. Debate has arisen today—or it has been heightened today, I should say; it has not arisen just today—about the adequacy of our Federal Police numbers. I would appreciate the Attorney’s assessment of the
adequacy of our existing Federal Police numbers and what measures he thinks may be needed to improve the availability of AFP personnel to do what is an increasing list of jobs that we as a parliament and as a community expect of them.

Mr RUDDOCK (Berowra—Attorney-General) (7.00 pm)—Can I say firstly that I have been personally greatly impressed with the quality of leadership and direction that has been given to the Australian Federal Police by Commissioner Keelty. I think his reappointment for a second five-year term was evidence of the confidence that the government has in his leadership and in the senior executives within the Australian Federal Police. I will get you a detailed briefing on the actual numbers. I probably had it for question time but I did not bring it with me in the folder that I have. Somebody has gone to see if they can retrieve it.

My recollection is that there has been very considerable growth in resourcing of the Australian Federal Police. The way in which those resources are deployed, of course, presents some very significant management challenges for the commissioner and his management team because the work in relation to Commonwealth issues has been growing in complexity and number. Some of them, we understand, in relation to pornography and paedophilia, which I mentioned today, are matters with which the Australian Federal Police, given the volume of complaints, may have some difficulty. There are other areas in which the Commonwealth is expected to be involved in enforcing laws. We resource the Australian Federal Police in this budget to be able to deal with copyright issues, because they have not been seen as a priority matter before.

The counterterrorism role is a very significant one to which the Australian Federal Police have responded very fully. The large number of overseas deployments have put them under very considerable pressure. Traditionally, there have been overseas deployments. The Cyprus one would be well known for the fact that Australians have participated in it over a long period of time. That has given the opportunity not only for the Australian Federal Police but also, in a number of cases, for senior police from our states and territories to participate offshore. I think Nick Kaldas, who is assistant commissioner in New South Wales and deals with counterterrorism issues in the New South Wales Police force, was a person who spent a good deal of time seconded to deal with policing issues in Iraq. So over a period of time I think we have been well served by the Australian Federal Police.

But the complaint, I gather, is that some would argue that, in a policing model, more of the functions that in the Australian Federal Police have been performed administratively should be performed by commissioned officers. I am not making those decisions, but I am not sure that that is necessarily the case. But it is the complaint, particularly of the association or the union representing police that, if you look at the state police services, they have a larger proportion of commissioned officers. I think they were talking about 80 per cent in some of the statements I saw and they suggest that the Australian Federal Police is something of the order of 60 per cent. I think that does reflect the fact that some tasks can be undertaken by people who are not necessarily sworn officers and the capacity of the service is not necessarily reduced.

At the moment there are quite significant challenges that the Australian Federal Police face in recruiting staff. I know that there are reports that they have been poaching staff from state and territory police services. It is the case that, as part of its staffing for both the international deployment functions and aviation security, we have advertised quite extensively and have
sought to fill positions in that way. But, in relation to the actual strategy, and the proportion that are commissioned and the proportion that are undertaking other tasks, I will get the honourable member a further written brief.

The DEPUTY SPEAKER (Hon. DJC Kerr)—Before I call the member for Brisbane, I do apologise: I took advantage of my familiarity with the Attorney-General to make comment in his speech which I am certain could be interpreted as showing partiality from the chair.

Mr Ruddock—in favour of me?

The DEPUTY SPEAKER—No, showing favour to the Labor Party.

Mr Ruddock—Fancy that!

Mr Bevis—I thought it was an endorsement of me!

Mr Ruddock—I thought you were endorsing my argument in relation to separation of powers.

The DEPUTY SPEAKER—I would certainly do that. I call the honourable member for Brisbane, who I am certain would understand the temptation I was subject to.

Mr BEVIS (Brisbane) (7.06 pm)—Thank you, Mr Deputy Speaker, for your restraint and great demonstration of impartiality, which I suspect I would not have been able to rise to. I want to follow up on that last point. It would be useful, I think, if the Attorney-General, in providing the answer to that earlier question, could make clear the number of sworn police officers as opposed to people in other positions within the AFP—which of course now includes the Australian Protective Service. On that point, I also seek comment from the Attorney-General about the role of the Protective Service personnel in overseas deployments and indeed whether or not the Attorney-General thinks that it is desirable for the AFP to have within its overseas contingents, in places like the Solomon Islands, a mixture of Protective Service staff and sworn officers. While we are on the subject of the AFP, I also invite the Attorney-General to give us some idea of when he thinks the government will finally have sufficient numbers of personnel to meet the Wheeler recommendations for airport security. There is, as I understand it, still a shortfall in those areas—that is, for response teams at the airports from the Federal Police and Protective Service. I am not sure whether he will have that on hand. He might also care to take that on notice.

Mr RUDDOCK (Berowra—Attorney-General) (7.07 pm)—Yes, I will take that on notice. Let me just say that, in relation to the way in which I would approach the issue of resourcing, say, in a place like the Solomon Islands, I would take professional advice as to the requirements, particularly in relation to the risks that are involved. I have some familiarity with this. I have a daughter who actually went to the Solomon Islands as a public defender. She was there at a time when there was perhaps not as much tension and difficulty as there is now. I think, in relation to those issues, there has to be a very clear view that, while one asks questions and probes in relation to these matters, in the end it has to be a professional judgement as to those deployments; and I would leave them in the hands of the commissioner.

Mr BEVIS (Brisbane) (7.08 pm)—On a slightly different matter, I seek the Attorney-General’s advice as to what action is planned to be taken this year in relation to security measures in federal courts. There was some reference at the commencement of this debate about some court activity not related to security. Could the Attorney-General provide some
advice on what measures, if any, are planned to be taken this year to enhance security at the various federal courts around the country?

Mr RUDDOCK (Berowra—Attorney-General) (7.09 pm)—We saw security issues as being matters that the courts had to operate as part of their core business. My understanding is that there is screening—at most courts I am aware of—in relation to ingress and egress, to the point that I find I am frequently subjected to it when I want to visit my office at Elizabeth Street in Sydney.

The point I would make in relation to those matters is that it is a core business. I was very much involved as the Chair of the Joint Select Committee on the Family Law Act back in the seventies when people whom I knew well were threatened—I notice that the honourable member for Prospect has joined us—and I can truly say that Ray Watson lost his wife tragically. He was a student of my father’s at Penrith High School. I knew him as an adviser on family law issues to former Attorney-General Lionel Murphy. David Opas, who was shot, I used to brief when I was a young solicitor in Sydney. Richard Gee, whose home was bombed, was a specialist adviser to the select committee that I chaired. So, from time to time, issues do arise in relation to the safety of our judicial officers, and we regularly make proper risk assessments in relation to those matters as we do in relation to other office holders. Certainly, in the present climate, the security measures which the courts have been putting in place have been seen as being measured and appropriate. The courts take advice from the PSCC on what is required and, as part of their core business funding, they are expected to implement them.

Mr BEVIS (Brisbane) (7.11 pm)—That is an important point. It is not a political point, as both sides of the chamber are concerned to ensure the security of our courts and that those who service them are protected. But, in some respects, I would have to say that I did not get an answer to my question at all. I got a nice bit of political speak that handsomely took up 2½ minutes of the time remaining but said nothing about any additional measures that might be afoot for the year ahead. So I assume that there are no additional measures afoot for the year ahead. If there are, I am sure the Attorney will correct me, or one of his advisers will set me straight. So I will leave that area, given that I have about two minutes left. If the Attorney can add to it, I am sure he will do so, using up the two minutes.

Mr Ruddock—I am not trying to talk you down.

Mr BEVIS—Would I allege that against you, Philip? Another matter that I want to raise is the newly created AusCheck. The government said that they were going to establish AusCheck back in December 2005. It commences in July this year. Would the Attorney comment on why it took 1½ years to get AusCheck up and running? But, more to the point in terms of its future and the budget at hand, how many employees does the Attorney anticipate AusCheck will have? Can he provide details of whether they will be full time, part time or casual? Also, I note that the AusCheck website talks about providing ‘capacity to be used for other background checking purposes’. How many employees does the Attorney anticipate will be tasked on those other background checking purposes? Has the Attorney got in his mind a particular area that might fall within that very broad category of ‘other background checking’?

Mr RUDDOCK (Berowra—Attorney-General) (7.13 pm)—My understanding is that, if we were to extend the operation of AusCheck, we would have to amend the act. Initially, we envisaged that we might be able to do that by regulation. But, as part of the Senate review, I gather that is one of the adjustments we made. I have just had a nod that indicates that my
recolletion was reasonably correct. So there is nothing proposed at the moment, and you will hear about it if we bring forward legislative amendments that seek to expand it. I will try and get the numbers for you, but I think the delay reflects a lot of the nature of parliamentary democracy where issues are debated, committees review and you have to get legislation through. You do not start to budget and appropriate money to carry out particular purposes until you have a proper lawful basis for doing it. I will also get you advice on what the courts are doing in relation to security matters. But I emphasise again the point that I made: security for the courts is core business.

The DEPUTY SPEAKER (Hon. DJC Kerr)—We started rather late. I am loath to cut off the member for Brisbane but we have a finite time line. It is really a matter between yourself and the other shadow ministers to decide whether you want to take a couple more minutes.

Mr Bevis—I am fine.

Mr Ruddock—I am happy to furnish any additional information that he seeks from me provided it is reasonable and appropriate.

Proposed expenditure agreed to.

Finance and Administration Portfolio

Proposed expenditure, $661,821,000

Mr GRIFFIN (Bruce) (7.16 pm)—I would like to ask the Special Minister of State when he or his office became aware that the AEC director of funding and disclosure, Mr Kevin Bodel, told the Australian that the use of Kirribilli House for a fundraiser ‘does appear to be a gift in kind of a venue’. When did he actually find that out and under what circumstances?

Mr NAIRN (Eden-Monaro—Special Minister of State) (7.16 pm)—I am not sure that Kevin Bodel actually made that statement. I think the member for Bruce was quoting from a newspaper article, so he is assuming that something written in a newspaper article was what Mr Bodel said. I am not sure that that is the case. Irrespective of that, late on the afternoon prior to the publication of that article on 14 June, that is, on 13 June, my understanding is that the journalist who wrote that article told the Prime Minister’s press office that she had a quote from the Australian Electoral Commission stating that the use of Kirribilli House may be required to be disclosed. We knew that could not be the case because the AEC, as far as we were aware, had not asked for any information regarding this particular aspect, therefore it would not make a definitive statement like that. My office contacted the AEC after receiving that information from the Prime Minister’s press office to determine whether that was truly the case. My office was told that the journalist in question asked a hypothetical question—Kirribilli was not mentioned—about the disclosure of buildings in relation to events for fundraising. The officer, Kevin Bodel, provided an answer based on the hypothetical question. The journalist then went on to ask questions about Kirribilli. Kevin Bodel, I am informed, told the journalist, ‘Well, we would need various information before we could make any comment about Kirribilli.’ My office was concerned that a journalist was writing a story that included a quote that was contrary to what the AEC said was the way in which the conversation between them went.

Mr GRIFFIN (Bruce) (7.19 pm)—Minister, was it your chief of staff, Mr Phelps, who contacted the Electoral Commission, and did he speak to the Electoral Commissioner or to Mr Bodel himself?
Mr NAIRN (Eden-Monaro—Special Minister of State) (7.20 pm)—My chief of staff, Peter Phelps, spoke to Kevin Bodel and the Electoral Commissioner in ascertaining that information about the conversation between Mr Bodel and the journalist.

Mr GRIFFIN (Bruce) (7.20 pm)—Minister, can you explain or shed light on the follow-up comment that was attributed to Mr Bodel:

Basically, I’ve been told to shut up.

Was that advice from your office or from the Electoral Commissioner?

Mr NAIRN (Eden-Monaro—Special Minister of State) (7.20 pm)—I cannot shed any light on that particular comment. Certainly, Mr Bodel was not told any such thing by me or my office. I did not speak to Kevin Bodel myself. I only spoke to the commissioner much later in the evening, when, I think, the story was already filed. I also should emphasise that, in making the inquiry about this story that was going to be published the next day, my chief of staff spoke to the Electoral Commissioner first and, subsequently, to Kevin Bodel. But I cannot shed any light on that comment, and I once again refer the member for Bruce to the very definitive statement made by the Electoral Commissioner. This continual questioning by the member for Bruce here and through media releases indicates that he does not believe the Electoral Commissioner, and I think that is appalling.

Mr GRIFFIN (Bruce) (7.22 pm)—We have a situation in which there are two versions flying around, and I think it is in the public interest to try to ascertain exactly what did occur. If there was confusion that might have led to the situation developing as it has then we ought to try to get to the bottom of it. On that point, though, are you saying quite definitively that you have checked and confirmed with your chief of staff that no direction was given and that no discussion occurred around the need to not say any more until the position was clearly understood from the commissioner’s point of view or anything like that?

Mr NAIRN (Eden-Monaro—Special Minister of State) (7.22 pm)—Absolutely. At no point did I or my office make any comments about what the Electoral Commission can or cannot do or say. They are a very independent body. I deal with the Electoral Commission almost every day of the week, as the Australian Electoral Commission and the Electoral Act come under my responsibilities as Special Minister of State. As the Electoral Commissioner’s statement indicates, they are independent and they certainly received absolutely no direction whatsoever. I say once again to the member for Bruce that the Electoral Commissioner could not be clearer than he was in the statement in this regard. There were no questions, muddying or anything like that. The statement that he made was absolutely clear cut. The continual questioning of this by the member for Bruce simply says to me that he does not accept the statement made by the Electoral Commissioner—and he should.

Mr GRIFFIN (Bruce) (7.24 pm)—Special Minister of State, when did you first seek legal advice on whether the Prime Minister’s decision to gift Kirribilli House to the Liberal Party on 1 June might constitute a gift under the Electoral Act?

Mr NAIRN (Eden-Monaro—Special Minister of State) (7.24 pm)—I did not seek legal advice.

Mr GRIFFIN (Bruce) (7.24 pm)—Minister, are you aware of whether the Liberal Party or the government had previously sought legal advice on this matter, given the fact that clearly a
decision was taken some time ago in some circumstances to repay some money around other functions?

Mr NAIRN (Eden-Monaro—Special Minister of State) (7.24 pm)—I am not personally aware of any previous requests or any actions in that regard.

Mr GRIFFIN (Bruce) (7.24 pm)—Minister, did you or your office have any discussions with the Electoral Commission once the question was raised and it was apparent that legal advice was required?

Mr NAIRN (Eden-Monaro—Special Minister of State) (7.24 pm)—We made sure that the Electoral Commission could ask any particular questions if they needed any information, because the commissioner made a statement earlier in the day—I think this was on the 14th—that they would seek legal advice. We certainly ensured that the AEC got any information that they needed to be able to get that legal advice. I should also point out to the member for Bruce, to save him some questions perhaps, my understanding is that the government, via the Prime Minister’s office, I think through the Attorney-General’s, obtained their own legal advice from Mr Burmester. And the AEC, quite independently, obtained their own legal advice.

There have been a number of comments made—most recently by the member for Grayndler in the previous part of this appropriation debate in the Main Committee. From what I heard him say, he seemed to think that the AEC’s advice was the same as what the government got. That is not the case. The Attorney-General obtained advice directly from Mr Burmester. The AEC, independently, had already instigated the processes to get their own independent advice from the Australian Government Solicitor, and they in fact received that advice prior to even seeing the Burmester advice.

Mr GRIFFIN (Bruce) (7.27 pm)—So there are two separate sets of legal advice as you understand it: the Burmester advice and also the advice from the AGS. What I would be interested in asking about is: what were the actual ‘available facts’ that the Electoral Commission was using to advise the AGS with respect to the basis for them making their finding?

Mr NAIRN (Eden-Monaro—Special Minister of State) (7.27 pm)—As I pointed out to the member for Bruce, the Australian Electoral Commission is a totally independent body. I, quite appropriately, would not be privy to any briefings that the Australian Electoral Commission would have given to its independent legal advisers. I am sure it provided them with the facts around the matter. Some of those facts, I think, may be different to what the member for Bruce has provided in terms of his so-called independent legal advice as well. I suspect that the member for Bruce might have told the Labor Party’s independent legal advisers that this was a fundraiser, and they may have ruled in relation to that. But the Prime Minister has made it very clear that this particular thing that happened at Kirribilli House was not a fundraiser. I am sure that would have been part of the information that the AEC worked on. As I said, the AEC is an independent body and it is not appropriate for me to be privy to that information.

Mr GRIFFIN (Bruce) (7.29 pm)—With respect to the Burmester advice, were you consulted about that and do you have a copy of it? In order to ensure there is no confusion in the public arena, would you undertake to release the Burmester advice, that being the relevant advice that the government received? Would you be willing to approach the AEC and ask them to release their advice in order to ensure full public disclosure, as I have done?
Mr NAIRN (Eden-Monaro—Special Minister of State) (7.29 pm)—I think it is a series of ‘nos’ in answer to that question. I think if I said ‘yes’ to any of those things, I would be attacked by the member for Bruce for interfering in all sorts of processes—which is what he would normally be doing.

Mr Griffin interjecting—

Mr NAIRN—Absolutely not. The Prime Minister and the Attorney-General sought advice; there was no need for me to be involved in that. I have responsibility for the Electoral Act. Others are responsible for interpreting these matters, which they do quite independently, as has been the case with all of the legal advice. I think even you, Mr Deputy Speaker Kerr, would be a bit horrified at some of those sorts of suggestions.

Mr GRIFFIN (Bruce) (7.30 pm)—I take it, therefore, that you are unable to provide a costing for the legal advice in respect of Mr Burmester’s opinion. I imagine that you are not able to, but I will ask that question anyway. I imagine also, given your earlier comments in relation to the AEC, that your answer would be the same, and I understand that.

Mr NAIRN (Eden-Monaro—Special Minister of State) (7.30 pm)—I can answer that question. Perhaps the member for Bruce should have asked the member for Grayndler to ask that question of Prime Minister and Cabinet.

Mr GRIFFIN (Bruce) (7.30 pm)—I understand. I thought I would ask just in case. The other question I have in this respect is: has the minister or his office had any discussions with the AEC re the legal opinion that they are now in receipt of from the Labor Party and also, as I understand it, from Bob Brown in the last day or so with respect to alternative views on this matter?

Mr NAIRN (Eden-Monaro—Special Minister of State) (7.31 pm)—No, not at all. I have not had any contact or conversations. All I have seen are the press statements by the AEC in relation to receipt of the Labor Party’s advice and the fact that they would investigate it.

Mr GRIFFIN (Bruce) (7.31 pm)—No estimation on time taken to consider it or anything along those lines?

Mr NAIRN (Eden-Monaro—Special Minister of State) (7.31 pm)—No, because that is not my role at all; it is up to the Australian Electoral Commission. I should also reinforce the fact that neither has my office had any discussions about the AEC looking into that advice.

Mr BOWEN (Prospect) (7.31 pm)—I would like to explore with the minister some different matters regarding the department of finance’s role in overseeing government expenditure generally. I draw the minister’s attention to page 1022 of this year’s Budget Paper No. 1, which indicates that expenditure across departments would be $49 billion. Last year’s equivalent Budget Paper No. 1 at page 1023 indicated that at that point the forecast expenditure across departments would be $54 billion. So expenditure has come in $5 billion under what was expected in last year’s budget papers. I want to explore with the minister whether that is a real change or whether there has been some change in the methodology of accounting practices that would account for that difference. If there have been changes to the methodology, could the minister inform the House of what those changes and their implications are? If there have not been changes in methodology and it is a real difference, perhaps the minister could indicate what has caused that very significant variation over the last 12 months.
Mr NAIRN (Eden-Monaro—Special Minister of State) (7.33 pm)—I am afraid that I do not have that level of detail and I would not try to make something up along the way; that is for sure. I will certainly ensure that the member is provided with an answer to those particular questions.

Mr BOWEN (Prospect) (7.33 pm)—I understand that and I thank the minister for taking those questions on notice. I suspect that answers to the following questions might be in a similar vein, which I understand and completely accept.

I draw the minister’s attention similarly to the line item ‘whole-of-government and inter-agency amounts’. This year’s budget paper shows that to be a negative amount of $9.82 billion, but the estimate in last year’s budget paper was for there to be a positive $122 million at this point of the cycle. So again we see a $9 billion shift, which is a significant amount of money in anybody’s book, without any explanation that I can see in the budget paper or any other public explanation from the government as to why that has changed. I imagine there has been some change in accounting methodology, but could the minister take on notice whether that has been the case? Could he take on notice particularly whether there has been a change in methodology and, if so, what that change in methodology encompasses and what the difference is? If there has been such a change, could the minister provide, within the best of his department’s ability, a profile of departmental expenses based on this new methodology or classification over the last three financial years?

Mr NAIRN (Eden-Monaro—Special Minister of State) (7.35 pm)—Yes, we will have a look at that. As to the first part of that question, once again, I cannot provide an answer here and now, but I am sure we can provide an explanation for that. As to the second part, I will say yes, but I will put a rider on that: provided it is a reasonable thing to actually put together for the member.

Mr BOWEN (Prospect) (7.35 pm)—I thank the minister for that response which is completely understandable. I would now like to turn to the issue of annual appropriations for depreciation, particularly of information technology expenditures. Could the minister confirm that, under the accrual budgeting mechanism, agencies are provided with annual appropriations to cover depreciation expenses of information technology? In addition, could he confirm whether they are separately allocated money to upgrade their IT and other assets, but particularly their information technology assets? Could the minister also confirm what programs the Department of Finance and Administration has in place across the government to ensure that there is no double-dipping—that is, that departments and agencies are not receiving funds for depreciation which are meant to, over the long term, deal with issues of replacing equipment on a rolling basis as opposed to major upgrades? What mechanisms are in place to ensure that there is no double-dipping? Can the department provide the total amount of actual depreciation expenses for each year since 2000 funded through the price of outputs appropriations and other appropriations, including through additional estimates? The last part, clearly, the minister will need to take on notice. Perhaps he may have some information on the earlier parts of the question, or he may wish to take it all on notice.

Mr NAIRN (Eden-Monaro—Special Minister of State) (7.37 pm)—With respect to the earlier part, I think it can be taken as read that all capital assets are depreciated, so depreciation certainly relates to that. But, for any new bids, individual departments have to go through the normal budget process. What I can say is that we are spending a lot of money on ICT. I
have a fair responsibility for IT areas, particularly through AGIMO, and there is some substantial investment in ICT right across government, particularly in my e-government strategy and the work that we are doing there. The benefits have been seen in this town particularly from government investment in ICT. As to the last part of your question, yes, I will have to take that on notice.

Mr BOWEN (Prospect) (7.38 pm)—I appreciate the minister’s answer and I would appreciate it also if he could provide more information on notice in relation to the earlier parts of the question. I would like to ask the minister about something I noticed in the budget papers which I would have thought was unusual; I would ask for the minister’s clarification if he is able to give it. In relation to the AusLink strategic regional program supplementary funding—in particular, the allocation of $250 million in 2006-07 for the AusLink strategic regional program—the budget paper says this:

The Programme provides funding for road, rail and intermodal projects in Australia’s regions that will support the growth of regional industry, respond to structural change, or strengthen local social and economic opportunities. The fiscal impact over three years, 2007-08 to 2009-10, is due to funds being fully expensed as projects are completed.

It could be that that is all perfectly normal and maybe I have misunderstood it, but if I have read that correctly—I mean that genuinely—that would put the cash and accrual accounting mechanisms out of kilter which I would have thought would be very unusual. Is the minister aware of the issue? If cash and accrual have been put out of kilter, what approval processes were put in place for this and was the National Audit Office consulted?

Mr NAIRN (Eden-Monaro—Special Minister of State) (7.40 pm)—I will have to check the detail of that. I know the program well. It is a great program, particularly for members who represent electorates in rural and regional areas. In the latter half of 2006, either $120 million or $150 million was spent on the program. I cannot remember exactly what it was. I know there were applications for substantially larger amounts of money than that—about ten-fold.

That was the reason the minister responsible, as part of the budget process, sought an expansion of that particular program. In doing so, part of the additional funding was made available in this financial year. There were projects that had already been submitted and assessed as being appropriate but they could not be funded because there was not enough money originally allocated last year. There was an extra $250 million that could be spent. In explaining those differences, I am not exactly certain whether that affects what the member is talking about in this cash accrual aspect, but I will check it.

Mr BOWEN (Prospect) (7.41 pm)—I appreciate the minister’s response and look forward to a more detailed answer. There could be a perfectly legitimate and reasonable explanation and I have misunderstood it. On my reading of it, particularly the sentence ‘The fiscal impact over three years 2007-08 to 2009-10 is due to funds being fully expended as projects are completed’, it is very unusual in that normally funds are expended when they are spent.

Another matter which the minister has more direct responsibility for is the government fleet. Is the minister able to provide, either now or on notice, information on the government fleet—in particular, the number or percentage of the government fleet that is able to use ethanol, how many of the fleet are fitted out to use LPG, and whether the minister has any knowledge or is able to ascertain a breakdown of those questions in relation to Comcar, the SES cars.
that are part of the government fleet and the private plated vehicles? I am not interested in individuals or parties, only a total. Does the minister have any information on that?

Mr NAIRN (Eden-Monaro—Special Minister of State) (7.43 pm)—Just before I come to that, referring back to the AusLink question, to clarify the problem that you are misunderstanding: revenue in 2006-07 is acquitted in further years. My information is that they are not out of kilter, but we will give you the full detail of that. The only thing I can say off the top of my head about the fleet is that 85 or 90 per cent of the fuel that Comcar purchases is E10. That is gradually worked up as new stations are located so that Comcar can access E10. I think the use of E10 is highest in Canberra.

With respect to the other fleet, I am sorry, but I do not have those figures off the top of my head. I am not sure to what extent they have been compiled because, as you would be aware, it is up to individual drivers as to where they buy their fuel. You would have to sort of bring it all back together, and I am not sure whether that has been done or not. For the figures with respect to the number of LPG vehicles, I would have to check that as well.

Proposed expenditure agreed to.

Remainder of bill—by leave—taken as a whole, and agreed to.

Ordered that the bill be reported to the House without amendment.

APPROPRIATION BILL (No. 2) 2007-2008

Second Reading

Debate resumed from 8 May, on motion by Mr Nairn:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 1) 2007-2008

Second Reading

Debate resumed from 8 May, on motion by Mr Nairn:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

APPROPRIATION BILL (No. 5) 2006-2007

Second Reading

Debate resumed from 8 May, on motion by Mr Nairn:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.
Debate resumed from 8 May, on motion by Mr Nairn:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.

Main Committee adjourned at 7.50 pm
QUESTIONS IN WRITING

Visas
(Question No. 3849)
Dr Lawrence asked the Minister for Immigration and Citizenship, in writing, on 8 August 2006:

(1) Can the Minister’s department provide figures on how many, if any, of businesses failing to meet sponsorship undertakings under the Temporary Business (long stay) sub class 457 visa in 2005-06 (a) were barred for a specified period from nominating a person or activity, (b) were barred from sponsoring more people under the terms of the existing sponsorship approval, (c) were barred from making further applications as a sponsor, (d) had their business approval as a sponsor cancelled, and/or (e) had the visa of those it had sponsored cancelled.

(2) Does the Minister’s department have the capacity to monitor whether foreign nationals entering Australia under the Temporary Business (long stay) sub class 457 visa have functional English; if so, how does the department define and test functional English.

Mr Andrews—The answer to the honourable member’s question is as follows:

(1) In the period 2005-06:
   (a) one business was barred for a specific period from nominating a person or activity,
   (b) one business was barred from sponsoring more visa holders under the terms of the existing sponsorship approval,
   (c) one business was barred from making further applications as a business sponsor,
   (d) two businesses had their business sponsorship approval cancelled,
   (e) two businesses had the 457 visa of its overseas sponsored workers cancelled.

(2) English language is a factor in the department’s decision making where it is identified as a skill necessary to perform the nominated position or to enable registration or licensing. It is at the discretion of the decision maker whether the information on the English language ability of the applicant provided with the application is sufficient, or if further testing is required. Under current Subclass 457 arrangements, substantial weight is placed on the judgement of the sponsoring employer given the negative impact of delays associated with formal testing.

In May 2006 the former Minister for Immigration and Multicultural Affairs announced that greater emphasis would be placed on English language in the subclass 457 visa, subject to consultation with industry on detailed implementation of this.

Industry, Tourism and Resources: Graduate Program
(Question No. 5025)
Mr Kelvin Thomson asked the Minister for Industry, Tourism and Resources, in writing, on 6 December 2006:

(1) For 2006, what was the estimated cost to the Minister’s department and agencies of the Graduate Program, including:
   (a) recruitment;
   (b) program;
   (c) travel;
(d) external training; and
(e) internal administrative costs.

(2) At 6 December 2006, what was the retention rate for the department’s 2005 Graduate Program intake.

(3) In 2006, how many Departmental Liaison Officers did the Minister’s department and agencies provide to the officers of Ministers and Parliamentary Secretaries.

Mr Ian Macfarlane—The answer to the honourable member’s question is as follows:

(1) The estimated cost of the 2006 Graduate Program including recruitment, program, travel, external training and internal administrative costs are detailed in Table A.

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<tr>
<th></th>
<th>Recruitment</th>
<th>Program</th>
<th>Travel</th>
<th>External Training</th>
<th>Administration Costs</th>
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</tr>
</tbody>
</table>

(2) The retention rate for the 2005 Graduate Program intake was:

DITR – 80%
Geoscience Australia – 100%

(3) A list of Departmental Liaison Officers is routinely provided by the Department of the Prime Minister and Cabinet at Senate Estimates Hearings.

Finance and Administration: Stationery
(Question No. 5173)

Mr Kelvin Thomson asked the Minister representing the Minister for Finance and Administration, in writing, on 7 December 2006:

(1) For each financial year from 1 July 2004, what was the total cost of paper purchased by the Minister’s department?

(2) Does the department have policies relating to duplex printing: if so, what are those details?

Mr Costello—The Minister for Finance and Administration has supplied the following answer to the honourable member’s question:

(1) Finance purchases paper under a contract with an external provider. The total cost of paper purchased under this arrangement from February 2006 until February 2007 is $180,801.07. Data for financial years 2004-05 and 2005-06 cannot be provided because the procurement of paper is not separately recorded from other office supplies.

(2) Finance encourages all staff to utilise duplex printing. Users choose how to print documents - either single-sided or double-sided based on the requirements of the print task.

Child Care
(Question No. 5369)

Mr Murphy asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 7 February 2007:

(1) Further to his reply to question No. 3790 (Hansard, 27 November 2006, page 116), is he aware of concerns raised with the Department of Families, Community Services and Indigenous Affairs that
the Inclusion Support Subsidy (ISS) may not provide adequate funding to include children with moderate or high support needs in mainstream out-of-school-hours programs; if not, why not.

(2) Have concerns been raised with him, or the Department of Families, Community Services and Indigenous Affairs, that duty-of-care and best practice compliance requires providers to have a one-to-one staff-to-child ratio, or better, to cater for children with moderate or high support needs; if so, when were these concerns raised.

(3) Can he advise (a) the average wage and other costs to childcare providers of employing each additional childcare worker or carer and (b) the subsidy rate for the ISS in 2007; if not, why not.

(4) Further to his reply that the ISS may assist a provider with “employing an additional worker to increase the staff-to-child ratio”, can he be sure that the ISS provides adequate funding to pay wage and other costs connected with employing additional staff members to meet best practice staff-to-child ratios; if so, why; if not, why not.

Mr Brough—The answer to the honourable member’s question is as follows:

The Inclusion Support Subsidy is provided to assist eligible child care services with the cost of including children with additional needs. The Inclusion Support Subsidy can contribute to the provision of relief staff while the carer attends training, specialist equipment and resources and employing an additional worker to increase the staff to child ratio. The focus of the Inclusion Support Subsidy is to build the capacity of child care services to include a child with ongoing high support needs.

The Inclusion Support Subsidy is available to child care centres as a contribution only and is not intended to be a reimbursement for all costs associated with the inclusion of a child with ongoing high support needs. Funding should be utilised in conjunction with a range of other strategies to enhance a service’s capacity to include all children.

The Inclusion Support Program provides a range of practical supports and assistance to child care services to help them to build capacity to provide a quality child care environment for all children, including those with additional needs. More detailed information about the program is available at http://www.facsia.gov.au/internet/facsinternet.nsf/childcare/services-ipsp.htm#4.

Because the aim of the Inclusion Support Subsidy is to facilitate inclusion in mainstream environments, it is not designed to provide one-on-one support for any individual child.

Nor is it a substitute for specialised disability services like respite and health care.

The number of carers in a service funded by the Inclusion Support Subsidy at any one time is limited to no more than 10 percent of the service’s approved child care places.

The provision of specialist disability services and medical services is the responsibility of the state and territory governments. This includes specialised services such as early intervention programmes, special schooling, accommodation, intensive therapy programmes, and related services such as respite and day activities/excursions. The Australian Government makes a substantial contribution to these state responsibilities through the Commonwealth State and Territory Disability Agreements.

The Australian government does not control staff wages which are typically set under state and territory awards.
Duty Free Cigarette Sticks
(Question No. 5686)

Mr Fitzgibbon asked the Minister representing the Minister for Justice and Customs, in writing, on 8 May 2007:
For the financial year (a) 2004-05 and (b) 2005-06, how many duty-free cigarette sticks were purchased (i) in total, (ii) by inbound passengers and (iii) by outbound passengers.

Mr Ruddock—The Minister for Justice and Customs has provided the following answer to the honourable member’s question:
Customs does not collect data of this nature and it is not required to be reported by duty free licensees under their licence conditions.

National Security
(Question No. 5728)

Mr Kerr asked the Attorney-General, in writing, on 10 May 2007:
(1) What methodology is used by the Government and each of its agencies (including the Director of Public Prosecutions) to select external counsel in matters involving national security.
(2) Are all such counsel required to be cleared to Top Secret Positive Vetting level; if not, how are clearance levels determined.
(3) What level(s) of security clearance are currently held by external counsel and, for each security clearance category identified, how many (a) senior and (b) junior external counsel hold that clearance.
(4) What is the process by which counsel not currently holding an appropriate security clearance may obtain such a clearance.
(5) How are the costs of the security clearance process met.
(6) Is the process for obtaining security clearance open to all counsel; if not, what is the (a) nature of, and (b) reason for, any limitations.
(7) For each category of security clearance identified in Part (3), what is the current average processing time from application to approval or refusal.
(8) How many security clearances for external counsel are currently pending.

Mr Ruddock—The answer to the honourable member’s questions as they relate to the Attorney-General’s Department and portfolio are as follows:
(1) In accordance with the Legal Services Directions 2005 (the Directions), government agencies are generally required to engage the Australian Government Solicitor (AGS) in matters involving national security.
AGS will recommend counsel to the client based on availability, location, experience, cost, client preferences and, where appropriate, the level of clearance required. The agency is then responsible for the selection of the appropriate counsel from those recommendations, which will take into account agency obligations for the efficient, effective and ethical use of resources as prescribed by the Financial Management and Accountability Act 1997 (FMAAct).
Whilst the Directions do not apply to the Commonwealth Director of Public Prosecutions (CDPP) when conducting criminal prosecutions and related proceedings, the CDPP takes into account similar factors when briefing counsel, such as counsel’s experience, expertise, availability, cost, views
of the referring agencies and the level of security clearance required. The CDPP complies with the FMA Act.

(2) The level of security clearance required by each defence counsel depends on the highest classification of information the counsel is required to access throughout the proceedings. The agency from where the information originates determines the appropriate classification levels for information.

(3) For reasons of security, the government does not comment on the levels of clearance held by senior or junior external counsel acting on behalf of the government. Nor does the government comment on the numbers of clearance holders at each clearance level.

(4) The agency engaging the external counsel is responsible for sponsoring the security clearances of counsel. All national security clearances are processed in accordance with the Australian Government Protective Security Manual (PSM).

(5) The agency or agencies engaging the external counsel cover the clearance costs.

(6) (a) The security clearance process is limited to counsel engaged or sponsored by a Commonwealth agency where the need for a clearance has been clearly identified. The Attorney-General’s Department and other relevant agencies may sponsor defence counsel engaged by non-government entities in matters where national security information may be involved. The National Security Information (Criminal and Civil Proceedings) Act 2004 also makes provision for clearing defence representatives in certain circumstances.

(b) In accordance with the PSM, security clearances may only be sought where the need for access to security classified resources is clearly established. The agency engaging or sponsoring the counsel determines that need for access and undertakes the relevant processes for the counsel to acquire the corresponding national security clearance level. The level of clearance requested is relative to the highest classification of the resources accessed by the counsel. The Australian Security Intelligence Organisation Act 1979 also defines and limits the Australian Security Intelligence Organisation’s (ASIO) security assessment functions to those required by Commonwealth agencies. The ASIO security assessment is a mandatory facet of the process to acquire a national security clearance.

(7) For reasons of security, the government does not comment on the length of time required to obtain a clearance.

(8) For reasons of security, the government does not comment on the numbers of applicants undergoing the security clearance process through Australian Government agencies.

Australian Federal Court: Hearsay Evidence
(Question No. 5734)

Mr Murphy asked the Attorney-General, in writing, on 10 May 2007:

Is hearsay evidence admissible in an Australian Federal court if the conditions and/or methods that are used to obtain that evidence are not disclosed to, or are unable to be ascertained by, a defendant or a defence lawyer; if not, why not.

Mr Ruddock—The answer to the honourable member’s question is as follows:

The Evidence Act 1995 (Cth) applies to proceedings in an Australian federal court. The relevant State and Territory evidence laws generally apply in State and Territory courts exercising federal jurisdiction. The rules on hearsay evidence for proceedings in an Australian federal court are contained in Part 3.2 of the Evidence Act. The Part establishes the general rule against the use of hearsay evidence and then sets out a number of specific exceptions to the rule.
Generally, there is no requirement, in admitting hearsay evidence, for a court to require disclosure of the circumstances in which that evidence was obtained.

However, the court may need to consider the circumstances in which the prior representation (the hearsay evidence) was made. For example, under subsection 65(2) of the Evidence Act, in a criminal proceeding where the person who made the representation is unavailable, the court is required to consider whether:

(a) the representation was made under a duty to make that representation or to make representations of that kind; or

(b) the representation was made when or shortly after the asserted fact occurred and in circumstances that make it unlikely that the representation is a fabrication; or

(c) the representation was made in circumstances that make it highly probable that the representation is reliable; or

(d) the representation was against the interests of the person who made it at the time it was made.

Rulings on the admissibility of evidence are matters to be determined by the court.

Part 3.11 of the Evidence Act gives the court discretion to exclude evidence even if that evidence would otherwise be admissible. This includes discretion to exclude improperly or illegally obtained evidence.