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SITTING DAYS—2008

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- **Canberra**: 103.9 FM
- **Sydney**: 630 AM
- **Newcastle**: 1458 AM
- **Gosford**: 98.1 FM
- **Brisbane**: 936 AM
- **Gold Coast**: 95.7 FM
- **Melbourne**: 1026 AM
- **Adelaide**: 972 AM
- **Perth**: 585 AM
- **Hobart**: 747 AM
- **Northern Tasmania**: 92.5 FM
- **Darwin**: 102.5 FM
FORTY-SECOND PARLIAMENT
FIRST SESSION—FIRST 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—Mr Harry Alfred Jenkins MP
Deputy Speaker—Ms Anna Elizabeth Burke MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP

Members of the Speaker’s Panel—Hon. Dick Godfrey, Harry Adams MP, Hon. Kevin James Andrews MP, Hon. Archibald Ronald Bevis MP, Ms Sharon Leah Bird MP, Mr Steven Georganas MP, Hon. Judith Eleanor Moylan MP, Ms Janelle Anne Saffin MP, Mr Albert John Schultz MP, Mr Patrick Damien Secker MP, Hon. Peter Neil Slipper MP, Mr Peter Sid Sidebottom MP, Mr Kelvin John Thomson MP, Hon. Danna Sue Vale MP and Dr Malcolm James Washer MP

Leader of the House—Hon. Anthony Norman Albanese MP
Deputy Leader of the House—Hon. Stephen Francis Smith MP
Leader of Opposition Business—Hon. Joseph Benedict Hockey MP
Deputy Leader of Opposition Business—Mr Luke Hartsuyker MP

Party Leaders and Whips
Australian Labor Party
Leader—Hon. Kevin Michael Rudd MP
Deputy Leader—Hon. Julia Eileen Gillard MP
Chief Government Whip—Hon. Leo Roger Spurway Price MP
Government Whips—Ms Jill Griffiths Hall MP and Mr Christopher Patrick Hayes MP

Liberal Party of Australia
Leader—Hon. Brendan John Nelson MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Opposition Whip—Hon. Alex Somlyay MP
Opposition Whip—Mr Michael Andrew Johnson MP
Deputy Opposition Whip—Ms Nola Bethwyn Marino MP

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

Printed by authority of the House of Representatives
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<td>ALP</td>
</tr>
</tbody>
</table>
## Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washer, Malcolm James</td>
<td>Moore, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Windsor, Anthony Harold Curties</td>
<td>New England, NSW</td>
<td>Ind</td>
</tr>
<tr>
<td>Wood, Jason Peter</td>
<td>La Trobe, Vic</td>
<td>LP</td>
</tr>
<tr>
<td>Zappia, Tony</td>
<td>Makin, SA</td>
<td>ALP</td>
</tr>
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**PARTY ABBREVIATIONS**
- ALP—Australian Labor Party; LP—Liberal Party of Australia;
- Nats—The Nationals; Ind—Independent

### Heads of Parliamentary Departments

- Clerk of the Senate—H Evans
- Clerk of the House of Representatives—I C Harris AO
- Secretary, Department of Parliamentary Services—D Kenny (Acting)
Rudd Ministry

Prime Minister
Hon. Kevin Rudd, MP

Deputy Prime Minister,
Minister for Education and
Minister for Employment and Workplace Relations and
Minister for Social Inclusion
Hon. Julia Gillard, MP

Treasurer
Hon. Wayne Swan MP

Minister for Immigration and Citizenship and Leader of the
Government in the Senate
Senator Hon. Chris Evans

Special Minister of State,
Cabinet Secretary and
Vice President of the Executive Council
Senator Hon. John Faulkner

Minister for Trade
Hon. Simon Crean MP

Minister for Foreign Affairs
Hon. Stephen Smith MP

Minister for Defence
Hon. Joel Fitzgibbon MP

Minister for Health and Ageing
Hon. Nicola Roxon MP

Minister for Families, Housing, Community Services and
Indigenous Affairs
Hon. Jenny Macklin MP

Minister for Finance and Deregulation
Hon. Lindsay Tanner MP

Minister for Infrastructure, Transport and Regional Develop-
ment and Local Government and Leader of the House
Hon. Anthony Albanese MP

Minister for Broadband, Communications and the Digital
Economy and Deputy Leader of the Government in the
Senate
Senator Hon. Stephen Conroy

Minister for Innovation, Industry, Science and Research
Senator Hon. Kim Carr

Minister for Climate Change and Water
Senator Hon. Penny Wong

Minister for Environment, Heritage and the Arts
Hon. Peter Garrett AM, MP

Attorney-General
Hon. Robert McClelland MP

Minister for Human Services and Manager of Government
Business in the Senate
Senator Hon. Joe Ludwig

Minister for Agriculture, Fisheries and Forestry
Hon. Tony Burke MP

Minister for Resources and Energy and
Minister for Tourism
Hon. Martin Ferguson MP
RUDD MINISTRY—continued

Minister for Home Affairs
Assistant Treasurer and
Minister for Competition Policy and Consumer Affairs
Ministers for Veterans’ Affairs
Minister for Housing and
Minister for the Status of Women
Minister for Employment Participation
Minister for Defence Science and Personnel
Minister for Small Business, Independent Contractors and the Service Economy and
Minister Assisting the Finance Minister on Deregulation
Minister for Superannuation and Corporate Governance
Minister for Ageing
Minister for Youth and
Minister for Sport
Parliamentary Secretary for Early Childhood Education and Childcare
Parliamentary Secretary for Defence Procurement
Parliamentary Secretary for Defence Support
Parliamentary Secretary for Regional Development and Northern Australia
Parliamentary Secretary for Disabilities and Children’s Services
Parliamentary Secretary for International Development Assistance
Parliamentary Secretary for Pacific Island Affairs
Parliamentary Secretary to the Prime Minister
Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion
Parliamentary Secretary to the Minister for Trade
Parliamentary Secretary to the Minister for Health and Ageing
Parliamentary Secretary for Multicultural Affairs and Settlement Services

Hon. Bob Debus
Hon. Chris Bowen MP
Hon. Alan Griffin MP
Hon. Tanya Plibersek MP
Hon. Brendan O’Connor MP
Hon. Warren Snowdon MP
Hon. Craig Emerson MP
Senator Hon. Nick Sherry
Hon. Justine Elliot MP
Hon. Kate Ellis MP
Hon. Maxine McKew MP
Hon. Greg Combet MP
Hon. Mike Kelly MP
Hon. Gary Gray MP
Hon. Bill Shorten MP
Hon. Bob McMullan MP
Hon. Duncan Kerr MP
Hon. Anthony Byrne MP
Senator Hon. Ursula Stephens
Hon. John Murphy MP
Senator Hon. Jan McLucas
Hon. Laurie Ferguson MP
SHADOW MINISTRY

Leader of the Opposition
Hon. Brendan Nelson MP

Deputy Leader of the Opposition, Shadow Minister for Employment, Business and Workplace Relations
Hon. Julie Bishop MP

Leader of the Nationals; Shadow Minister for Infrastructure and Transport and Local Government
Hon. Warren Truss MP

Leader of the Opposition in the Senate and Shadow Minister for Defence
Senator Hon. Nick Minchin

Deputy Leader of the Opposition in the Senate and Shadow Minister for Innovation, Industry, Science and Research
Senator Hon. Eric Abetz

Shadows Treasurer
Hon. Malcolm Turnbull MP

Shadows Minister for Health and Ageing and Leader of Opposition Business in the House
Hon. Joe Hockey MP

Shadows Minister for Foreign Affairs
Hon. Andrew Robb MP

Shadows Minister for Trade
Hon. Ian Macfarlane MP

Shadows Minister for Families, Community Services, Indigenous Affairs and the Voluntary Sector
Hon. Tony Abbott MP

Shadows Minister for Agriculture, Fisheries and Forestry
Senator Hon. Nigel Scullion

Shadows Minister for Human Services
Senator Hon. Helen Coonan

Shadows Minister for Education, Apprenticeships and Training
Hon. Tony Smith MP

Shadows Minister for Climate Change, Environment and Urban Water
Hon. Greg Hunt MP

Shadows Minister for Finance, Competition Policy and Deregulation
Hon. Peter Dutton MP

Shadows Minister for Immigration and Citizenship and Manager of Opposition Business in the Senate
Senator Hon. Chris Ellison

Shadows Minister for Broadband, Communications and the Digital Economy
Hon. Bruce Billson MP

Shadows Minister for Resources and Energy, Tourism
Senator Hon. George Brandis

Shadows Minister for Regional Development, Water Security
Senator Hon. David Johnston

Shadows Minister for Justice, Border Protection and Assisting Shadow Minister for Immigration and Citizenship
Hon. John Cobb MP

Shadows Special Minister of State
Hon. Chris Pyne, MP

Shadows Minister for Small Business, the Service Economy and Tourism
Senator Hon. Michael Ronaldson

Steven Ciobo MP

Shadows Minister for Environment, Heritage, the Arts and Indigenous Affairs
Hon. Sharman Stone MP

Shadows Assistant Treasurer, Shadow Minister for Superannuation and Corporate Governance
Michael Keenan MP

Shadows Minister for Ageing
Margaret May MP

Shadows Minister for Defence Science, Personnel and Assisting Shadow Minister for Defence
Hon. Bob Baldwin MP

Shadows Minister for Business Development, Independent Contractors and Consumer Affairs, Deputy Leader of Opposition Business in the House
Luke Hartsuyker MP

Shadows Minister for Veterans’ Affairs
Hon. Bronwyn Bishop MP

Shadows Minister for Employment Participation and Apprenticeships and Training
Andrew Southcott MP
SHADOW MINISTRY—continued

Shadow Minister for Housing, Shadow Minister for Status of Women
Hon. Sussan Ley MP

Shadow Minister for Youth, and Shadow Minister for Sport
Hon. Pat Farmer MP

Shadow Parliamentary Secretary Assisting the Leader of the Opposition and Shadow Cabinet Secretary
Don Randall MP

Shadow Parliamentary Secretary Assisting the Leader of the Opposition, Northern Australia
Senator Hon. Ian Macdonald

Shadow Parliamentary Secretary for Health
Senator Hon. Richard Colbeck

Shadow Parliamentary Secretary for Education
Senator Hon. Brett Mason

Shadow Parliamentary Secretary for Defence
Hon. Peter Lindsay MP

Shadow Parliamentary Secretary for Infrastructure, Roads and Transport
Barry Haase MP

Shadow Parliamentary Secretary for Immigration and Citizenship
John Forrest MP

Shadow Parliamentary Secretary for Local Government
Louise Markus MP

Shadow Parliamentary Secretary for Tourism
Sophie Mirabella MP

Shadow Parliamentary Secretary for Ageing and the Voluntary Sector
Jo Gash MP

Shadow Parliamentary Secretary for Foreign Affairs
Mark Coulton MP

Shadow Parliamentary Secretary for Families, Community Services
Senator Marise Payne

Shadow Parliamentary Secretary for Foreign Affairs
Senator Cory Bernardi
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The SPEAKER (Mr Harry Jenkins) took the chair at 9 am and read prayers.

STANDING ORDERS

Mr ALBANESE (Grayndler—Leader of the House) (9.01 am)—I move:

That, unless otherwise ordered, the following standing orders be amended to read as follows:

1 Maximum speaking times (amendments to existing subjects, as follows)

<table>
<thead>
<tr>
<th>Committee and delegation reports on Mondays in the House</th>
<th>10 mins maximum, as recommended by the whips</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each Member</td>
<td>10 mins maximum, as recommended by the whips</td>
</tr>
</tbody>
</table>

in the Main Committee

<table>
<thead>
<tr>
<th>Each Member</th>
<th>10 mins maximum, as recommended by the whips</th>
</tr>
</thead>
<tbody>
<tr>
<td>(standing orders 39, 40, 41a, 192(b))</td>
<td></td>
</tr>
</tbody>
</table>

Grievances

<table>
<thead>
<tr>
<th>Whole debate</th>
<th>1 hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each Member</td>
<td>10 mins</td>
</tr>
<tr>
<td>(standing order 192B)</td>
<td></td>
</tr>
</tbody>
</table>

Private Members’ business on Mondays

<table>
<thead>
<tr>
<th>Whole debate</th>
<th>as recommended by the whips</th>
</tr>
</thead>
<tbody>
<tr>
<td>Each Member</td>
<td>as recommended by the whips</td>
</tr>
<tr>
<td>(standing orders 41 and 41a)</td>
<td></td>
</tr>
</tbody>
</table>

29 Set meeting and adjournment times

(a) The House shall meet each year in accordance with the program of sittings for that year agreed to by the House, unless otherwise ordered.

(b) When the House is sitting it shall meet and adjourn at the following times, subject to standing orders 30, 31 and 32:

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>day</td>
<td>meeting commences</td>
<td>adjournment proposed</td>
<td>House adjourns</td>
</tr>
<tr>
<td>Monday</td>
<td>12 noon</td>
<td>9.30 pm</td>
<td>10.00 pm</td>
</tr>
<tr>
<td>Tuesday</td>
<td>2.00 pm</td>
<td>8.30 pm</td>
<td>9.00 pm</td>
</tr>
<tr>
<td>Wednesday</td>
<td>9.00 am</td>
<td>7.30 pm</td>
<td>8.00 pm</td>
</tr>
<tr>
<td>Thursday</td>
<td>9.00 am</td>
<td>4.30 pm</td>
<td>5.00 pm</td>
</tr>
</tbody>
</table>

31 Automatic adjournment of the House

(a) At the time set for the adjournment to be proposed in standing order 29, column 3 (times of meeting), the Speaker shall propose the question—

That the House do now adjourn.

This question shall be open to debate—maximum time for the whole debate shall be 30 minutes—and no amendment may be moved.

(b) If this question is before the House at the time set for adjournment in standing order 29, column 4 (times of meeting) the Speaker shall interrupt the debate and immediately adjourn the House until the time of its next meeting.

(c) The following qualifications apply:

Division is completed

(i) If there is a division at the time set for the adjournment to be proposed in standing order 31(a), that division, and any consequent division, shall be completed.

Minister may require question to be put

(ii) If a Minister requires the question to be put immediately it is proposed under paragraph (a), the Speaker must put the question immediately and without debate.

Minister may extend debate

(iii) When the Speaker interrupts the adjournment debate under paragraph (b), a Minister may ask for the debate to be extended by 10 minutes to enable Ministers to speak in reply to matters raised during the debate. After 10 minutes, or if debate concludes earlier, the Speaker shall
immediately adjourn the House until the time set for its next meeting.

**Question negatived**

(iv) If the question is negatived, the House shall resume proceedings from the point of interruption.

**Unfinished business**

(v) If the business being debated is not disposed of when the adjournment of the House is proposed, the business shall be listed on the Notice Paper for the next sitting.

33 **Limit on business**

No new business may be taken after 10 pm, unless by order of the House before 10 pm.

34 **Order of business**

The order of business to be followed by the House is shown in figure 2.

**Figure 2. House order of business**

<table>
<thead>
<tr>
<th>MONDAY</th>
<th>TUESDAY</th>
<th>WEDNESDAY</th>
<th>THURSDAY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Prayers</td>
<td>Government Business</td>
<td>Prayers</td>
</tr>
<tr>
<td>12 noon</td>
<td>Government Business</td>
<td>Prayers</td>
<td>Government Business</td>
</tr>
<tr>
<td>2.00 pm</td>
<td>Question Time</td>
<td>Question Time</td>
<td>Question Time</td>
</tr>
<tr>
<td>Approx 3.30 pm</td>
<td>Documents, Ministerial statements, petitions</td>
<td>Approx 3.30 pm</td>
<td>Documents, Ministerial statements, MPI</td>
</tr>
<tr>
<td>Government Business</td>
<td>Approx 4.20 pm</td>
<td>Government Business</td>
<td>Approx 4.20 pm</td>
</tr>
<tr>
<td>6.30 pm</td>
<td>Divisions and quorums deferred</td>
<td>6.30 pm</td>
<td>Divisions and quorums deferred</td>
</tr>
<tr>
<td>8.00 pm</td>
<td>Committee &amp; delegation reports and private Members’ business</td>
<td>8.00 pm</td>
<td>Adjournment Debate</td>
</tr>
<tr>
<td>8.30 pm</td>
<td>Adjournment Debate</td>
<td>8.00 pm</td>
<td>9.00 pm</td>
</tr>
<tr>
<td>9.30 pm</td>
<td>Adjournment Debate</td>
<td>8.00 pm</td>
<td>9.00 pm</td>
</tr>
<tr>
<td>10.00 pm</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
35 Priority of business

Government business shall have priority over committee and delegation reports and private Members' business except on Mondays as provided by standing orders 34 (order of business) and 192 (Main Committee’s order of business).

39 Presentation of reports

(a) Members may present reports of committees or delegations:
   (i) as recommended by the whips, during the period for committee and delegation reports on Mondays (standing order 34); or
   (ii) at any time when other business is not before the House.

(b) Members may make statements in relation to these reports:
   (i) during the period for committee and delegation reports on Mondays in the House (standing order 34); or
   (ii) at any other time, by leave of the House.

(c) The Member presenting a report may move without notice, a specific motion in relation to the report. Debate on the question shall be adjourned to a future day.

(d) If, on Mondays, the Speaker presents a report referred to in this standing order, the following steps are deemed to have occurred in respect of the report—a motion to take note of the report, debate on the motion to be adjourned to a later hour and the order of the day to be referred to the Main Committee for further consideration within any parameters adopted by the House on the recommendation of the whips.

40 Resumption of debate on reports

(a) After presentation of reports on Mondays proceedings may be resumed on motions in relation to committee and delegation reports moved on an earlier day.

(b) For debate in accordance with paragraph (a) the whips shall recommend:
   (i) the order in which motions are to be considered;
   (ii) time limits for the whole debate; and
   (iii) time limits for each Member speaking, of not more than 10 minutes.

(c) During the period on Mondays provided by standing order 192, proceedings may be resumed in the Main Committee on motions in relation to committee and delegation reports referred that day or on an earlier day.

41 Private Members’ business

(a) In the periods set for committee and delegation reports and private Members’ business under standing orders 34 and 192, private Members’ notices and orders of the day shall be considered in the order shown on the Notice Paper. When the time set by standing orders 34 or 192 or recommended by the whips ends, the Speaker shall interrupt proceedings and put the question.

(b) If
   (i) the whips have recommended that consideration of a matter may continue on a future day;

   then
   (ii) at the time set for interruption of the item of business or if debate concludes earlier, the Speaker shall interrupt proceedings and the matter shall be listed on the Notice Paper for the next sitting.

Private Members’ bills—priority

(c) The whips, in making recommendations to the House:
   (i) shall give priority to private Members’ notices of intention to present bills over other notices and orders of the day; and
(i) shall set the order in which the bills are to be presented.

First reading

(d) When each notice is called on by the Clerk, the Member in whose name the notice stands may present the bill, together with an explanatory memorandum (if available), and may speak to the bill for no longer than 5 minutes. The bill shall be then read a first time and the motion for the second reading shall be set down on the Notice Paper for the next sitting.

(e) If, on Mondays, the Speaker presents a bill for which notice has been given by a private Member, the first reading of the bill is deemed to stand referred to the Main Committee. When the bill is called on in the Main Committee by the Clerk, the Member sponsoring the bill may present an explanatory memorandum (if available), and may speak to the bill for no longer than 5 minutes. The bill shall be then read a first time and the motion for the second reading shall be set down on the Notice Paper for the next sitting.

Second reading

(f) If the motion for the second reading is agreed to by the House, further consideration of the bill shall be accorded priority over other private Members’ business and the whips may recommend times for consideration of the remaining stages.

Alternation of notices

(g) Subject to paragraph (c)(i), the whips shall provide for the consideration of private Members’ notices to alternate between those of government and non-government Members.

Private Members’ motions

(h) If, on Mondays, the Speaker presents a copy of the terms of a motion for which notice has been given by a private Member, the following steps are deemed to have occurred—the motion is deemed to have been moved and debate on the motion adjourned to a later hour and the order of the day referred to the Main Committee for further consideration in accordance with any parameters adopted by the House on the recommendation of the whips.

41A Selection of private Members’ and committee business

(a) For the period for committee and delegation reports and private Members’ business on Mondays, the whips shall recommend the order of consideration of the matters, the times allotted for debate on each item and for each Member speaking, and the matters to be considered in the Main Committee.

(b) The Chief Government Whip shall report the recommendations of the whips to the House and shall move without notice the motion—

That the House adopt the report.

(c) The Chief Government Whip must report to the House under paragraph (b) in time for the report to be adopted by the House and published on the Notice Paper of the sitting Thursday before the Monday being considered. The report shall be published in Hansard.

(d) The House may grant leave for the order of consideration of the matters, and the times allotted for debate on each item and for each Member speaking, set by the House to be varied.

42 Removal of business

The Clerk shall remove from the Notice Paper items of private Members’ business and orders of the day relating to committee and delegation reports which have not been called on for eight consecutive sitting Mondays.

43 Members’ statements on Fridays, to be omitted.

44 Grievance debate, to be omitted.

55 Lack of quorum

(a) When the attention of the Speaker is drawn to the state of the House and the Speaker observes that a quorum is not
present, the Speaker shall count the Members present in accordance with standing order 56.

(b) On Mondays and Tuesdays, if any Member draws the attention of the Speaker to the state of the House between the hours of 6.30 pm and 8 pm, the Speaker shall announce that he or she will count the House at 8 pm, if the Member then so desires.

(c) If a quorum is in fact present when a Member draws attention to the state of the House, the Speaker may name the Member in accordance with standing order 94(b) (sanctions against disorderly conduct).

97 Daily Question Time

(a) Question Time shall begin at 2 pm on each sitting day, at which time the Speaker shall interrupt any business before the House and call on questions without notice.

(b) The business interrupted shall be dealt with in the following manner:

(i) if a division is in progress at the time, the division shall be completed and the result announced; or

(ii) the Speaker shall set the time for resumption of debate.

106 Giving notice

(a) A Member giving a notice of motion must deliver it in writing to the Clerk at the Table.

(b) The notice may specify the day proposed for moving the motion and must be signed by the Member and a seconder.

(c) A notice of motion which expresses censure of or no confidence in the Government, or a censure of any Member, must be reported to the House by the Clerk at the first convenient opportunity.

133 Deferred divisions on Mondays and Tuesdays

(a) On Mondays and Tuesdays, any division called for between the hours of 6.30 pm and 8 pm shall be deferred until 8 pm.

(b) The Speaker shall put all questions on which a division has been deferred, successively and without amendment or further debate.

(c) This standing order does not apply to a division called on a motion moved by a Minister during the periods specified in this standing order.

138 Initiation of bills

A House bill may be initiated:

(a) by the calling on of a notice of intention to present a bill;

(b) by an order of the House;

(c) without notice by a Minister under standing order 178 (Appropriation Bill or bill dealing with taxation); or

(d) by presentation under standing order 41(e).

A bill not prepared according to the standing orders of the House shall be ordered to be withdrawn.

139 Notice of intention to present bill

(a) A Member giving a notice of intention to present a bill must deliver the notice in writing to the Clerk at the Table.

(b) The notice must:

(i) specify the title of the bill and the day for presentation; and

(ii) be signed by the Member and at least one other Member.

(c) A notice of intention to present a bill shall be treated as if it were a notice of motion.

140 Signed copy of bill presented

(a) Member presenting a bill must sign a legible copy of the bill and give it to the Clerk at the Table, or to the Speaker for the purposes of standing order 41(e).
(b) The title of a bill must agree with the notice of intention to present it, and every clause must come within the title.

141 First reading and explanatory memorandum

(a) Subject to standing order 41(e), when a bill is presented to the House, or a Senate bill is first received, the bill shall be read a first time without a question being put. A Member presenting a bill during private Members’ business may speak to the bill, before it is read a first time, for no longer than 5 minutes.

(b) For any bill presented by a Minister, except an Appropriation or Supply Bill, the Minister must present a signed explanatory memorandum. The explanatory memorandum must include an explanation of the reasons for the bill.

192 Main Committee’s order of business

(a) If the Committee meets on a Monday, Wednesday or Thursday, the normal order of business is set out in figure 4.

(b) If the Committee meets on a Monday to consider orders of the day relating to committee and delegation reports, these orders of the day shall have priority over other business, unless otherwise ordered.

Figure 4. Main Committee order of business

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The meeting times of the Main Committee are fixed by the Deputy Speaker and are subject to change. Adjournment debates can occur on days other than Thursdays by agreement between the Whips. The Main Committee may also meet on Monday, Tuesday and Wednesday afternoon and evening, if required.
192A Members’ statements on Mondays

Before committee and delegation reports and private Members’ business on Mondays, the Deputy Speaker shall call on statements by Members. The Deputy Speaker may call a Member, but not a Minister (or Parliamentary Secretary*), to make a statement for no longer than 90 seconds. The period allowed for these statements shall extend until 6.55 pm.

* Including Assistant Ministers who are Parliamentary Secretaries

192B Grievance debate

(a) At the conclusion of committee and delegation reports and private Members’ business on Mondays, the first order of the day shall be grievance debate. The order of the day stands referred to the Main Committee.

(b) After the Deputy Speaker proposes the question—

That grievances be noted—

any Member may address the Main Committee or move any amendment to the question. When debate is interrupted after one hour or if it concludes earlier, the Deputy Speaker shall adjourn the debate on the motion, and the resumption of the debate shall be made an order of the day for the next sitting.

207 Presenting a petition

A petition may be presented in one of two ways:

(a) The Speaker shall present petitions and the Clerk announce them each sitting Monday, in accordance with standing order 34 (order of business).

(b) A Member may present a petition during:

(i) the period of Members’ statements in the Main Committee, in accordance with standing order 192A and standing order 193;

(ii) adjournment debate in the House in accordance with standing order 31, and in the Main Committee in accordance with standing order 191; and

(iii) grievance debate in accordance with standing order 192B.

208 Action by the House

(a) Discussion on the subject matter of a petition shall only be allowed at the time of presentation as provided for under standing order 207(b).

(b) Each petition presented shall be received by the House, unless a motion that it not be received is moved immediately and agreed to.

(c) The only other motion relating to a petition that may be moved is a motion on notice that the petition be referred to a particular committee.

(d) The terms of petitions shall be printed in Hansard.

(e) The Standing Committee on Petitions shall respond to petitions on behalf of the House and report to the House.

On 20 December 2007, I announced on behalf of the government that private members’ business would be transferred to Fridays as part of our commitment to parliamentary reform. That was directed towards enhancing the status of private members’ business and giving extra time for private members’ business, as well as allowing for extra time for government business. In these reforms, the government maintained four question times per week and three matter of public importance debates per week. The government has scheduled 67 question times this year, which is greater than the average of 63 under the previous government. Already in this parliament, we have seen five ministerial statements. There were two in the entire 2007 calendar year. The government is determined to promote parliamentary reform which promotes the ability of both sides of parliament to engage in debate.

These amendments before the House today reflect the changes that I outlined in my letter to the Leader of the Opposition last
The amendments will not result in the government giving up one minute of government business time. We have a big agenda and on 24 November last year we received a very clear mandate from the Australian people to implement that agenda. These amendments will result in the combined time for committee and delegation reports, private members' business, grievance debates and 90-second statements to be exactly the same as were allowed by the previous government—exactly the same. The changed provisions in relation to standing orders 39(d), 41(e) and 41(h) are made so that certain items will stand referred to the Main Committee so that it can consider them without them being referred by the House. Items to stand referred will be outlined in the report of the Chief Government Whip.

On Friday, 22 February, the dignity of this parliament was damaged by an opposition desperately searching for relevance.

Mr Broadbent interjecting—

Mr ALBANESE—Those opposite can say what they like. But the fact is that, say what you like about John Howard, John Howard would not have allowed a political party which he led to treat the parliament in that way. They know it and the Australian public know it. On that date, their objection was to working five days a week. We know that they are struggling to work four days a week. We have a situation where we have had members of the opposition staying out at lunch and justifying doing so. We have had overseas trips and the justifying of making overseas trips while being paid as local members. Perhaps the most bizarre is the member for O'Connor, who is absent from the parliament during this sitting week. During recent times, it has come to light—

Mr Broadbent—I rise on a point of order, Mr Speaker. What has this got to do with the motion before the House?

The SPEAKER—Order! The member for McMillan does not have the call yet. The member for McMillan may now raise his point of order.

Mr Broadbent—My point of order goes to relevance. What has this diatribe got to do with the motion before the House, which is on procedure?

The SPEAKER—The member for McMillan will resume his seat. The Leader of the House will continue.

Mr ALBANESE—in terms of private members' business, the fact is that they are struggling to turn up from Monday to Thursday, let alone on Friday. That is the issue here. They are off on cruise ships, on which they have had to lock in the lifeboats. Imagine being on a cruise ship and getting a lecture on climate change from the member for O'Connor. They are the only cruise ship passengers to ever pray for an iceberg. That is what they are doing on that particular ship.

Mr Randall—I rise on a point of order. It has become patently clear that this is irrelevant and I ask you to rule that way.

Mr Broadbent—We're trying to keep order; he's baiting!

The SPEAKER—The member for McMillan is warned! I remind the member for McMillan again as I have reminded other people that, no matter how they feel aggrieved about things that are happening, they show some respect and dignity to the chamber and to the House.

Mr ALBANESE—I am going through why the opposition was so opposed to Friday sittings, because I am surprised that the opposition has been so opposed to enhancing the status of private members' business. Indeed, the House of Representatives Practice makes it very clear that it is oppositions that
benefit from private members’ business. Indeed, on page 80 it says:

While all private Members are to some extent involved in such functions as petitions, grievances, questions, and participation in committee work, the effective performance of the functions listed above is largely dependent on a vigilant, industrious and organised Opposition. Members supporting the Government are able to play an effective part in this parliamentary process but the Opposition may be expected to do so and to articulate, for example, the views of various groups within the community.

That is the role of private members’ business. Private members’ business gives an opportunity for members of the opposition executive, opposition backbench and government backbench to move private members’ bills. Indeed, those on this side of the House now, when in opposition, moved a number of private members’ bills. I myself moved a bill which led to the cap of 80 movements on Sydney airport. I moved a bill that we ratify Kyoto. I moved a bill stopping exploration on the Great Barrier Reef. I moved a bill about same-sex superannuation entitlements. These are the opportunities that from opposition you can take up.

I want to address some of the myths that are here. One is the issue of ministers and their participation in private members’ business. The very purpose of private members’ business is that it is the one area of parliamentary debate which is not led by the executive, in which the executive do not participate. The former Prime Minister and those people who were ministers over on that side of the House did not participate in any of the private members’ business during the entire 12 years that they were in government—not for one minute did they participate in debate; not for one minute did they sit in the chamber and listen to that debate. The other issue that characterises private members’ business is that you do not have divisions. That is what private members’ business does. Private members’ business is an opportunity for people to raise issues, to lift up the profile of issues of concern either to their electorate or to the nation. We had absolute nonsense from those opposite about these very issues.

There was another statement made by the coalition frontbenchers, who engaged in an extraordinary disruption of the parliament, the most serious of which was the defiance of the Speaker. I have been in this chamber for 12 years. I never once saw a member of the former opposition—and there were over 170 asked to leave under standing order 94(a)—basically say, ‘No, I’m not going.’ That is what we saw during that Friday sitting. At the same time, we saw an abuse of the Deputy Speaker in particular when she was in the chamber which was, quite frankly, a disgrace. It brought this parliament into disrepute. We should never forget that the kids in schools, who look towards this parliament, expect some dignity. But, since then, we have had the shadow minister for foreign affairs go on the Insiders program on 24 February. There was no apology but a statement that disorderly conduct on Fridays would continue as a premeditated strategy—an extraordinary position!

The fact is that these standing orders were debated in this House for some 15½ hours, beating the previous record from 1969 by an hour and a half. We said that we would not gag the debate. We had a number of speakers. The opposition had 28 speakers in a row, talking to themselves about the debate that was going on. Indeed, you had the extraordinary position that the member for Fisher, at 12.39 am in the debate, stated:

I think it is unfortunate that, in this debate, we started with 15 minutes and then it was cut to five minutes and now it has been cut to three minutes. I also think it is unfortunate that here we are at 20 to one in the morning ...
Well, we were not gagging them; they were gagging themselves. They had a speaking list on which they put every single one of their members and then they made them all speak, but they realised when it was not being gagged that they would have to cut their own speaking list down. So they gagged their own members—told them they could speak for five minutes and then told them they could speak for only three minutes. It is extraordinary that that is the case. But they did not tell each other, obviously, because the member for Barker last night in the adjournment debate said:

We have had three disasters already. On the first day of sitting we sat until two o’clock in the morning...

That was because members of the opposition—who now say they want to do the same thing—just talked and talked among themselves, in spite of the fact that twice yesterday in this chamber I said I would table the standing orders in order for them to be on notice and debated properly and in spite of the fact that the Leader of the Opposition was notified last Friday in writing of what the changes would be. Those changes do nothing more and nothing less than transfer Friday sittings through to Monday night. So it is extraordinary that they have been prepared to go to this length.

We know that there is a problem when it comes to negotiating good outcomes because, after the first suspension during the last sitting, I asked the Leader of the Opposition whether there was going to be further disruptive behaviour and he indicated there would not be. I am not sure whether that was a breach of faith or whether he simply could not control the troops on his own side. It is very interesting that the people who were actually thrown out were not the Leader of the Opposition or the Manager of Opposition Business; it was the poor old member for Cowper. He got the hospital pass: ‘Here you go, buddy. Up you go. You do the job.’ The member for Moncrieff, who probably does not know better, was the first member of a serious political party to be marched out of the chamber.

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. I ask you to pull the member back to the substance of the motion proposed, which is to promote the reason for the change in the standing orders and not to simply indulge in a diatribe of infantile nonsense.

The SPEAKER—The Leader of the House knows that he has to be relevant to the motion.

Mr ALBANESE—They actually do not want this debate either. The truth is that they do not want to sit on that side of the House. What we saw in the debate about these standing orders was the largest group therapy session ever held in this parliament. It was a group therapy session where 28 members of the coalition spoke one after the other about these issues being gagged by the Manager of Opposition Business. On Friday, we saw all their frustration and anger at their rejection by the electorate taken out not on us but on the parliament of the nation, on the House of Representatives chamber, on the Speaker and on the Deputy Speaker. The fact is that, in terms of debate, a great opportunity is presented for members of the opposition by private members’ business.

Mrs Bronwyn Bishop—Find a man to talk, instead of a boy!

Mr ALBANESE—This is the future of the Liberal Party over there. She has just made the front bench from the back bench. When the Leader of the Opposition sat down and worked out his executive, he appointed 45 members to it. Everybody got a prize in order to lock in support for the opposition leadership versus the person who wants to be the Leader of the Opposition. What we are
really seeing played out here is people playing to their own backbench. This is just like before the election when they forgot about the Australian public—they are still talking about themselves. In the entire term of this parliament, there will not be a speakers list as long as the one on the standing orders. It will be longer than their list on climate change, industrial relations, the environment, health or education. The big issue that they were obsessed about on day one of this parliament—on the first sitting day, when new members have their families here—was to make the parliament sit until 2 am. Congratulations; you did that.

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order.

Mr ALBANESE—Joe, can you control—

The SPEAKER—The Leader of the House will resume his seat.

Mr Randall interjecting—

The SPEAKER—Order! The member for Canning is not assisting. The member for Mackellar has the call.

Mrs Bronwyn Bishop—Mr Speaker, the member opposite is continually straying from the substance of the motion. I know this represents a long time for him to have to talk, but he really does have to address the motion and not waffle.

Mr Perrett—We certainly won’t be here until 2 am.

Mr ALBANESE—We certainly will not be here until 2 am, because the government has gone to great lengths to be fair to the opposition. If you look at the Laura Tingle article or the Michelle Grattan article—people who have actually been around this place for a while—you will see that they knew the opposition had the potential to gain a great advantage by Friday sittings running into Saturday media. It was a great chance to get publicity for their private members’ business and a great chance to get publicity for their ideas—the problem is that they do not have any. They do not have any plan for the future. All they have is an inward-looking party which is focused on who is going to lead the opposition.

From time to time parties go through these struggles; I am fully aware of that. But let me tell you that it is only when you focus outwards that you actually have a chance. If you think that the Australian public approve of your efforts and your behaviour on that Friday, then you are more out of touch than can be believed. These amendments go to protecting private members’ business in terms of maintaining the same amount of time it had previously. They have been tabled in accordance with what I said I would do yesterday, yet it is still not good enough for the opposition. When they ask for further concessions, they get person after person to stand up and move—(Time expired)

Mr HOCKEY (North Sydney) (9.21 am)—Hopefully, this puts an end to the farcical Fridays that the government initiated. I remind the Leader of the House that his Prime Minister said that, if parliament did not sit five days a week, parliamentarians were lazy. Then the Prime Minister himself did not turn up on the fifth day—to use a Smithian comment. We received these changes to the standing order at 7.30 this morning. I had a phone conversation—

Mr Albanese—Mr Speaker, I rise on a point of order. I ask that the Manager of Opposition Business withdraw that. It was tabled in the parliament last night, as I said I would do.

The SPEAKER—Order! The Leader of the House will resume his seat.

Mr HOCKEY—I am sorry, but that is actually wrong. The Notice Paper came out at 7.30 this morning. The blue comes out at around 7.45 am. We have not had any oppor-
tunity to peruse the new standing orders or sitting patterns of this chamber. Importantly, in relation to the order of business—

Mr Albanese interjecting—

Mr HOCKEY—Well, you go ahead and do that. If you look at the Notice Paper now, you cannot even tell what the sitting days are in the new sitting schedule for 2008. It is not a colour printout. We do not know what the hell the sitting days are for the year ahead, yet the Leader of the House in this place expects members of parliament to vote in support of the new standing orders, which we did not see until 7.30 this morning.

Mr Albanese—Mr Speaker, if it would assist the Manager of Opposition Business, I would be prepared to move that the debate be adjourned and that he be given permission to continue—

The SPEAKER—Order! The Leader of the House knows that is not—

Mr Albanese—I am actually helping you, you goose. Fair dinkum!

The SPEAKER—Order! The member for Hume is not helping, and I ask that he withdraw in the context that it is not helping. I ask that the member for Hume withdraw that remark.

Mr Schultz—I withdraw.

Mr Albanese interjecting—

Mrs Bronwyn Bishop—Go on, spit the dummy!

The SPEAKER—Order! The Leader of the House and the member for Mackellar.

Mrs Bronwyn Bishop—Go on, spit the dummy!

The SPEAKER—The member for Mackellar is denying the member for North Sydney the call.

Mr HOCKEY—Just to continue, as the Manager of Opposition Business, I would like the opportunity, in consultation with my members, to be able to peruse the proposed standing orders and to peruse the proposed sitting pattern for 2008. Accordingly, I seek leave to continue my remarks at a later hour.

Leave granted; debate adjourned.

BUSINESS

Days and Hours of Meeting

Mr ALBANESE (Grayndler—Leader of the House) (9.25 am)—I move:

That the following program of sittings for 2008, dated 12 March 2008, be adopted in substitution for the program adopted on 12 February 2008.
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**CHAMBER**
Mr HOCKEY (North Sydney—Manager of Opposition Business) (9.25 am)—Mr Speaker, I just emphasise that, if you look at a copy of the Notice Paper, you are unable to identify on the Notice Paper which days are scheduled for sittings of this parliament. Again, until I see a colour copy or a black and white copy that actually indicates what the sitting days are, I seek leave to continue my remarks at a later hour.

Leave not granted.

Mr Albanese interjecting—

Mr Hockey interjecting—

The SPEAKER—Order! It is now not assisting that the Leader of the House and the member for North Sydney are arguing across the table. The question is that the motion moved by the Leader of the House be agreed to.

Mr ANTHONY SMITH (Casey) (9.26 am)—I move:

That the debate be adjourned.

An incident having occurred in the gallery—

The SPEAKER—The attendants will restore order in the gallery.

Question put.

Mr HOCKEY (North Sydney—Manager of Opposition Business) (9.25 am)—Mr Speaker, I just emphasise that, if you look at a copy of the Notice Paper, you are unable to identify on the Notice Paper which days are scheduled for sittings of this parliament. Again, until I see a colour copy or a black and white copy that actually indicates what the sitting days are, I seek leave to continue my remarks at a later hour.

Leave not granted.

Mr Albanese interjecting—

Mr Hockey interjecting—

The SPEAKER—Order! It is now not assisting that the Leader of the House and the member for North Sydney are arguing across the table. The question is that the motion moved by the Leader of the House be agreed to.

Mr ANTHONY SMITH (Casey) (9.26 am)—I move:

That the debate be adjourned.

An incident having occurred in the gallery—

The SPEAKER—The attendants will restore order in the gallery.

Question put.
Stone, S.N.  
Turnbull, M.  
Vale, D.S.  
Wood, J.  

Truss, W.E.  
Vaile, M.A.J.  
Washer, M.J.  

Adams, D.G.H.  
Bevis, A.R.  
Bird, S.  
Bradbury, D.J.  
Burke, A.S.  
Byrne, A.M.  
Champion, N.  
Clare, J.D.  
Crean, S.F.  
Danby, M.  
Elliot, J.  
Ellis, K.  
Ferguson, M.J.  
Garrett, P.  
George, J.  
Gillard, J.E.  
Grierson, S.J.  
Hale, D.F.  
Hayes, C.P.  
Jackson, S.M.  
Kerr, D.J.C.  
Livermore, K.F.  
Marles, R.D.  
McKew, M.  
Melham, D.  
Neal, B.J.  
O’Connor, B.P.  
Parke, M.  
Pilbersek, T.  
Raguse, B.B.  
Ripoll, B.F.  
Saffin, J.A.  
Sidebottom, S.  
Sullivan, J.  
Symon, M.  
Thomson, C.  
Trevor, C.  
Vanvakinou, M.  
Zappia, A.  

NOES  
Adams, D.G.H.  
Albanese, A.N.  
Bevis, A.R.  
Bidgood, J.  
Bird, S.  
Bowen, C.  
Bradbury, D.J.  
Burke, A.E.  
Byrne, A.M.  
Campbell, J.  
Champion, N.  
Cheeseman, D.L.  
Clare, J.D.  
Collins, J.M.  
Crean, S.F.  
D’Ath, Y.M.  
Danby, M.  
Dreyfus, M.A.  
Elliot, J.  
Ellis, A.L.  
Ellis, K.  
Emerson, C.A.  
Ferguson, M.J.  
Fitzgibbon, J.A.  
Garrett, P.  
Gray, G.  
George, J.  
Gibbons, S.W.  
Gillard, J.E.  
Grierson, S.J.  
Griffin, A.P.  
Hale, D.F.  
Hall, J.G.  
Hayes, C.P.  
Irwin, J.  
Jackson, S.M.  
Kelly, M.J.  
Kerr, D.J.C.  
King, C.F.  
Livermore, K.F.  
Macklin, J.L.  
Marles, R.D.  
McClendon, R.B.  
McKew, M.  
McMullan, R.F.  
Melham, D.  
Murphy, J.  
Neal, B.J.  
Neumann, S.K.  
O’Connor, B.P.  
Owens, J.  
Parke, M.  
Price, L.R.S.  
Pilbersek, T.  
Perrett, G.D.  
Raguse, B.B.  
Rea, K.M.  
Ripoll, B.F.  
Rishworth, A.L.  
Saffin, J.A.  
Shorten, W.R.  
Sidebottom, S.  
Snowdon, W.E.  
Sullivan, J.  
Swan, W.M.  
Symon, M.  
Tanner, L.  
Thomson, C.  
Thomson, K.J.  
Trevor, C.  
Turnour, J.P.  
Vanvakinou, M.  
Windsor, A.H.C.  

Original question agreed to.  

WORKPLACE RELATIONS  
AMENDMENT REGULATIONS 2007  
(No. 4)  

WORKPLACE RELATIONS  
(REGISTRATION AND  
ACCOUNTABILITY OF  
ORGANISATIONS) AMENDMENT  
REGULATIONS 2007 (No. 1)  

Disallowance Motion  

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (9.41 am)—I move:  

That:  

(1) the Workplace Relations Amendment Regulations 2007 (No. 4), as contained in Select Legislative Instrument No. 306 of 2007 and made under the Workplace Relations Act 1996 and the Workplace Relations Amendment (Work Choices) Act 2005; and  

(2) the Workplace Relations (Registration and Accountability of Organisations) Amendment Regulations 2007 (No. 1), as contained in Select Legislative Instrument No. 307 of 2007 made under the Workplace Relations Act 1996,  

be disallowed.  

I am moving this motion to disallow two regulations made under the Workplace Relations Act and the Workplace Relations Amendment (Work Choices) Act by the previous government. These regulations are the Workplace Relations Amendment Regulations 2007 (No. 4), as contained in Select

The SPEAKER—Order! I think it would assist the House if I explain that, in our modern, 21st century parliament, in reproducing notices of motion on the Notice Paper we do not go to colour yet. In the notice of motion that was lodged yesterday, there was a colour representation of the sitting pattern. Copies of that sitting pattern have now been placed on the end of the table. For the difficulties that the production caused, we apologise, but there is of course a problem which, given the current restraints on resources, I am not going to deal with.

...
Legislative Instrument No. 306 of 2007 and made under the Workplace Relations Act 1996 and the Workplace Relations Amendment (Work Choices) Act 2005, and the Workplace Relations (Registration and Accountability of Organisations) Amendment Regulations 2007 (No. 1), as contained in Select Legislative Instrument No. 307 of 2007 made under the Workplace Relations Act 1996. The regulations were announced in August last year and tabled on 12 February.

These regulations allow for one state branch of one trade union to apply for full registration under the Workplace Relations Act without having to satisfy the usual rules which apply to other industrial organisations, both employer and employee organisations. Industrial legislation provides that a new union cannot be registered if there is an existing organisation covering the same workers which could more effectively represent them, whether it be because this is an existing organisation that the employees could more conveniently belong to or because there is an existing organisation that is substantially identical to the new organisation that is seeking registration.

Under Work Choices, state organisations could be registered federally on a temporary basis to cover workers who used to be covered by state systems but had been drawn into the federal system. This was one of the necessary transitional consequences of the fact that Work Choices was founded on the corporations power of the Commonwealth, a matter upheld by the High Court. Consequently, the scope of Work Choices was beyond that of former industrial relations legislation. Because the scope of Work Choices was beyond former industrial relations legislation there needed to be a set of transitional arrangements for people who, up until that time, had properly viewed themselves as being covered by state industrial relations systems but now, because Work Choices was founded on the corporations power, were to be covered by Work Choices.

In making the move from transitional to federal registration these organisations would have to meet certain criteria, including not breaching the substantially identical rule. There was a system. Given the consequence of Work Choices reaching into areas that had historically been covered by state commissions, there were transitional arrangements but, in moving from transitional to full federal registration, the normal and historic tests, the public policy purpose of which is to ensure that there are settled coverage lines and to minimise demarcation disputes—these settled tests—would be brought to bear on the question of federal registration. The regulations I am moving to disallow today provide that one state branch of one trade union could apply for full registration under the Workplace Relations Act without having to satisfy the substantially identical rule. These regulations also prevent the Australian...
Industrial Relations Commission from making orders that either body has the right to represent members of the other body for a period of three years.

There are two things substantially wrong with these regulations. Firstly, they are meaningless on their face. They are meaningless on their face because they have been made for one state branch of one union, and that is a union representing nurses in Western Australia. Whilst these regulations say that that state branch of the nurses union can be federally registered, they also say that that branch cannot cover people covered by the federal branch of the nurses union for three years. So these regulations are meaningless on their face. We have in Western Australia a federally registered union with a federal branch there and we have a state union seeking full federal registration. These regulations facilitate that, but then they also state that that branch cannot cover people covered by the federal branch of the nurses union for three years. So these regulations are meaningless on their face.

I would suggest that members of this place muse on the consequences of this kind of politics if it is allowed to stand and if it is brought to bear in other areas of public policy. Does that mean that the funding of our road programs should be made contingent on special delivery to companies that have argued common cause in the public domain with the federal government? Does that mean that the delivery of our health money should be done on the basis that it will be disproportionately given to those hospital administrators who have joined hand in hand with the federal government? Does that mean, when it comes to the distribution of money and public policy mechanisms for schools, that a federal government should take the view that it will disproportionately benefit those schools whose principals have endorsed the policies of the federal government? There would be a word that people would use in relation to that kind of conduct and that word would be ‘corruption’.

What public policy is supposed to be about is not the special making of deals and the special making of public policy for political allies. What government is supposed to be about is fair rules for everyone. The Rudd Labor government believes in fair rules for everyone. The regulations which I am seeking to disallow today were motivated by the kind of politics I have just described,
the kind of politics that says: ‘If there’s someone in an election year who is out there arguing your case then cut any special deal you can. Distort any of the legislative power of government and any of its regulation-making power to do them a special deal. Reward your friends and punish your enemies.’ As I have said, there is a word that describes that conduct and that word is ‘corruption’.

These are regulations meaningless on their face, corrupt in their motivation, and that is why they have to be struck down. What is the consequence of striking these regulations down for the state branch of the Western Australian nurses union? They can still seek federal registration; there is no problem with that. All they have to do is acquit the same rules that would apply to everyone else. That is not a bad ask; it is not a bad outcome. If the Western Australian nurses want federal registration then, with this regulation disallowed, they are required to acquit the same rules that would apply to everyone else—the rules that would apply to a Queensland truck union, to a Victorian retail union or to a New South Wales clerical union. The only thing they will be asked to do is to abide by the same rules that apply to anyone else.

There can be no argument against this disallowance motion, except a continuation of the corrupt motivation that led to these regulations being made. There can be no argument put that suggests that the WA nurses should not abide by the same laws that apply to every other industrial organisation in this country, whether it is an employer or an employee organisation. We on this side of the House, the Rudd Labor government, are seeking this disallowance because we believe in fairness, we believe in the rule of law, we believe in laws being applied equitably. We do not support and will not allow a regulation to stand that was motivated by this kind of corrupt motivation.

In arguing for this disallowance, I note the views of the stakeholders on this matter. Who cares about the health system? All of us care about the health system. Who cares about the health system in Western Australia? Obviously, Western Australian citizens care deeply about whether their health system works well and whether it is at risk of being the subject of disruption because of unnecessary demarcation matters stemming from these regulations. In that regard, I have received correspondence from the Western Australian Minister for Health, outlining his concerns about these changes. In particular, the Minister for Health, in his letter to me, dated 7 February, said:

The Western Australian government is concerned should the new regulations remain in place that they may lead to an increase in demarcation disputes between competing unions and hamper the effective provision of public health services.

The Western Australian government in its state is charged—obviously, in a collaborative arrangement with the federal government—with delivering quality health services to its citizens. It is concerned about these regulations and believes that they should not stand. But there is more than that. From time to time, members on the other side of the House suggest that they are people concerned about the views of the private sector and business. The members who say that they are concerned about these matters might like to note that I have received correspondence from Healthscope, which is a major private sector health services organisation, a major provider of private health services in Western Australia. What is the private sector saying about this matter? What is business saying about this matter, because I anticipate that there may be members in this House who would be thinking to themselves, ‘What is the view of Western Australian business? What are they asking for, what do they care about, what are they interested in,
and what should I say in this place if I am going to represent the views of Western Australian business? Let me give them the answer. Anyone who has been trying in this place to represent the views of Western Australian business should note that Healthscope has written to me and said:

Healthscope is one of Australia’s leading private healthcare operators providing medical and surgical rehabilitation and psychiatric services in each state and territory. Healthscope currently employ more than 16,000 employees. Healthscope is concerned that these regulations may lead to demarcation disputes and turf wars between unions and may disrupt our ability to provide health services in our Western Australian facilities.

These regulations should be disallowed. Why should they be disallowed? I bring three perspectives to bear. First, on their face, the regulations are a nonsense and they should be struck down for that reason. Second, they represent a special deal cut for purely political purposes by a desperate government in an election year, as part of its campaign as the party of Work Choices, to find anyone who would argue its case with it. The regulations come from a motivation which was not pure public policy but a motivation which was infected by political concerns. Indeed, it was not infected—’infected’ is the wrong word; ‘infected’ suggests that there was some other concern and there was an infection. It was the only concern. There was not one regard for public policymaking and not one regard for fairness. This was about politics, pure and simple. As I have said, if this kind of decision making was in government overall, people would use the word ‘corruption’ to describe it. Third, it does not disadvantage the Western Australian nurses union. They can still seek federal registration, should they choose to do so. They just have to abide by the laws of the country. That is not a hard ask. We are asked to abide by the laws of the country—I am, the minister sitting at the table is, the opposition representatives in this parliament are asked to abide by the laws of this parliament, as are the people sitting in the gallery. I do not think it is an unfair thing to ask the Western Australian nurses union to abide by the laws of the country.

Finally, but not insignificantly, the people who care about ensuring that Western Australian citizens get access to health services when they need them—the people who run the public health system and the people who run a substantial component of the private health system—are saying loud and clear that they are fearful that these regulations would compromise their ability to provide services to Western Australians when they need them. This is a matter that should be of considerable concern to all members of this parliament but most particularly, I would suggest, to Western Australian members of this parliament. Obviously, we want all citizens of this nation to be able to access quality health services. And something that, in the eyes of the people who run the health system, stands in the way of citizens accessing quality health services without disruption when they need them is obviously bad and should be struck down.

On those grounds, I ask the House to endorse this disallowance motion. Frankly, apart from putting the case that an organisation which spoke up for Work Choices should be disproportionately and specially rewarded, there is no argument against this disallowance motion.

Ms JULIE BISHOP (Curtin) (10.00 am)—This motion to disallow the Workplace Relations Amendment Regulations 2007 (No. 4) and the Workplace Relations (Registration and Accountability of Organisations) Amendment Regulations 2007 (No. 1) is an ugly example of the payback for which the Labor Party is renowned. The Minister for Employment and Workplace Relations and
Deputy Prime Minister threatened business last year with injury if they dared enter into the industrial relations debate. Retribution and payback is the mantra of the Labor Party and the mantra of the unions. Why would a government seek at this time in the national debates on the national issues to make as a priority of government business the removal of the right of a branch of a national union to be registered in its own right because that is what its individual members wanted? Why would a government take away the right and the choice of an organisation to be registered federally? What would possess a government to make this a priority? This disallowance motion is a striking example of how the Rudd government will continue to be the quiet deceivers. The minister pretends to consult with business and the broader community, but her modus operandi is straight from the Graham Richardson play book Whatever it Takes: whatever it takes to give the unions the payback that they seek for funding the Labor Party’s election in the last election. They provided $30 million of funding to get the Rudd government elected—and it is payback time. The union bosses want to see some value for their money, so the first people they pick on happen to be a branch of a union that sought federal registration. What a crime! Fancy wanting to act in accordance with the wishes of your members!

The Labor Party claim today to be a party of fairness and choice and freedom of association, and that they are going to stand up to union control. That is not the Labor Party. They do not believe in those words; they only adopted those words because they were the words of the Liberal Party. They knew those words were popular with the Australian public. They knew that they represented the aspirations and hopes of the Australian people, so they adopted that rhetoric. The defining characteristic of the Rudd Labor government will be the fact that they do not believe in the words and the rhetoric they now espouse. Their lack of belief will be their defining characteristic and Labor will revert to type.

In today’s example of the Australian Nursing Federation, Industrial Union of Workers Perth, an organisation sought to strike out on an independent course. They wanted to break free from the iron grip of the faceless union bosses on the east coast. Western Australian nurses were unhappy with the heavy-handed tactics of the head office of the nurses federation. They were particularly unhappy in relation to the campaign against Australian workplace agreements. The Australian Financial Review at the time pointed out the view of the Western Australian branch. The chief executive, Mr Olson, said the new regulations—that is, the ability to be registered federally:

removed an insurmountable hurdle for us to try to achieve federal registration.

He said:

We want to have the autonomy to represent our members’ interests.

And that is what the Labor Party is denying them today. It is denying the Western Australian branch the autonomy to represent their members’ interests. As the Financial Review pointed out:

The move is a blow to the union movement, because the WA branch opposed the use of members’ funds for advertising supporting Labor’s plan to scrap Work Choices. So as soon as somebody speaks out against the Labor and union campaign, it is payback time. It is retribution. It is the old mantra: retribution and payback.

The Western Australian branch of the federation is in fact one of the few unions—probably the only union—in the country to actually increase its membership. Members might not be aware of the extent of the de-
cline in union membership in this country. It is at an all-time low, with only 15 per cent of the private sector workforce being union members—fewer than four out of five workers in the private sector choose to join a union. In fact, in the period August 2005 to August 2006 there was a decrease of over 125,900 members in unions across Australia. In just one 12-month period there was a decrease of 125,900 union members. But, of course, the number of employees in Australia increased over the same period—there was an increase of 250,300 employees. So, while there are more employees in the workplace than ever before, the number of union members is decreasing. Between August 2005 and August 2006 union density—the number of union members—decreased amongst both males and females; decreased in both the public sector and the private sector—in the public sector down from 47 per cent to 42 per cent, in the private sector from 16.7 per cent to 15.5 per cent; decreased amongst both workers with leave entitlements and workers without leave entitlements; decreased amongst both full-time workers and part-time workers; and decreased in every state and territory except Tasmania and the Northern Territory. The absolute number of union members decreased in every cohort, with Tasmania and the Northern Territory being the only exceptions.

So you have a union branch—the Nursing Federation of Western Australia—actually increasing its membership, obviously due to the fact that they were providing members with the services they wanted. They were listening to their members and acting in accordance with their members’ wishes, and their members did not want their membership fees going to fund the misleading Your Rights at Work campaign. They did not want to spend that money that way. They, in fact, supported Australian workplace agreements, as is their right, and yet now they are being punished for going against the union heavies.

Cognisant of the failure of the union head office to deliver for the nurses across Australia, the Western Australian branch sought federal registration so they could be an entity in their own right, and this was granted in September last year. The 15,000 members of the Western Australian branch of the Nursing Federation did not want to be subject to the dictates of head office, forced to pay fees for campaigns that they did not believe in and that they did not support. The Western Australian nurses did not support the misleading union scare campaign against Howard government workplace reforms, so should they now be denied the right to say where their membership fees will go? Are they to be denied the right to have their own voice, denied the right to speak up and oppose what they do not believe in?

The Western Australian nurses, like many other Western Australians, understood the many benefits that had come from industrial relations reforms. Those members, like other Western Australians, remembered the bad old days when the unions were in charge of workplaces in Western Australia. Those nurses, like other Western Australians, remembered the bad old days when unions would bring workplaces to their knees. They remember the seventies and eighties in the Pilbara, when there was a strike every three days. One iron ore site had a strike every three days—over 157 strikes in one year at one site. The mining industry was almost brought to its knees in the 1970s, 1980s and early 1990s by the actions of the unions, and the Western Australian nurses remember how industrial relations reforms, including the right to enter into an individual statutory agreement, kept the unions at bay. Whether they used AWAs or did not use AWAs, the mere presence of them kept the unions at bay. If the unions made extreme demands, an
employer could say, ‘We have an option to put people on individual statutory agreements,’ and all of a sudden the unions would back off. They would start talking about productivity and how they could work with the employers, and employees could go through a period of industrial harmony. In fact, in Western Australia we have had one of the longest periods of industrial harmony in the state’s history. Australia has now experienced one of the longest periods of industrial harmony in over a hundred years.

Why would the Western Australian nurses want to be part of a campaign that rolled back the kinds of reforms that have enabled Western Australia to be a booming economy, taking advantage of the extraordinary growth in the mining sector? If we had not had workplace reforms in Western Australia, the mining boom would have passed us by, because our workplaces would not have been able to guarantee supply of product and guarantee labour supply to the emerging markets of China and India. The Rudd government dismisses the mining boom as just a happy coincidence, but had we not had in place a deregulated workplace and the kind of industrial relations reforms that we have witnessed over the last decade the mining boom would have passed us by. There would have been other markets in which Chinese, Indian and Japanese buyers could seek their products.

The nurses in Western Australia see the benefit of industrial harmony and they chose not to be part of a misleading advertising campaign. They are now being punished for that. This motion to disallow Workplace Relations Amendment Regulations 2007 (No. 4) and Workplace Relations (Registration and Accountability of Organisations) Amendment Regulations 2007 (No. 1) is tragic not only for individual nurses in Western Australia but for unions and union membership across the country. At a time when state registered unions in Australia are attempting to maintain their relevance and when they should be trying to improve their services and their capacity to effectively represent their members, we have got the Deputy Prime Minister seeking to block the path for state registered unions to be part of the government’s new workplace relations system. They are trying to block out unions who do not toe the Labor Party line. The Western Australian nurses union, on any measure, could only be described as a highly effective union which, over the years, has represented its members and its members’ interests—and it wanted to continue to do that unfettered by the ‘command central’ tactics of federal union control.

Today’s efforts by the Deputy Prime Minister to disallow these regulations have placed an insurmountable hurdle in front of state registered unions wanting to achieve federal registration. Labor is, in effect, locking out state unions from the new workplace relations system and blocking them from representing their membership. This is a taste of what is to come: unions dictating Labor Party policy, unions thumbing their noses at calls for wage restraint, unions thumbing their noses at basic freedoms and a right to choose—and all channelled through the Labor Party as government policy. The Labor Party should be condemned for this disallowance motion. It is taking away the right of a state based entity to register federally and be part of the new workplace relations system and taking away the right of a union to effectively represent its members. Shame on the Labor Party. It is a tragic day for unions, employees and employers across this country.

Question put:
That the motion (Ms Gillard’s) be agreed to.
The House divided. [10.18 am]
(The Deputy Speaker—Hon. BC Scott)
Question agreed to.

GOVERNOR-GENERAL’S SPEECH
Address-in-Reply

Debate resumed from 11 March, on motion by Mr Hale:

That the following Address in Reply to the speech of His Excellency the Governor-General be agreed to:

May it please Your Excellency:

We, the House of Representatives of the Commonwealth of Australia, in Parliament assembled, express our loyalty to the Sovereign, and thank Your Excellency for the speech which you have been pleased to address to the Parliament—

The DEPUTY SPEAKER (Hon. BC Scott)—Order! Before I call Mr Cheeseman, I remind honourable members that this is his first speech. I therefore ask that the usual courtesies be extended to him.

Mr CHEESEMAN (Corangamite) (10.29 am)—I stand before you on Ngunawal land with great pride, the first Labor member for Corangamite to make a first speech in the
national parliament in 28,470 days, or 76 years. The last time a Labor member for Corangamite was elected, things were a little different. Thomas Edison had just died, aeroplanes were Kittyhawks and Charles Kingsford Smith had just become the first man to fly solo from London to Australia. It is really great to be here.

First, I would like to take the opportunity to acknowledge the work of the former member for Corangamite, Stewart McArthur. Though our backgrounds and views of the world differ, I have always admired Stewart’s willingness to be honest about his views, even when he knew they were not popular.

Winning Corangamite took a massive effort by many, many people. I acknowledge all those people who worked on my campaign. I cannot name them all; there were hundreds and hundreds of people who campaigned to see Labor win Corangamite and government. I must acknowledge Richard Morrow, Joe Taylor, Nathan Oakes, Mike Atkinson, Annette Downie, Liz Day, Gavin Ryan, Matt Hammond, Judy and Peter Loney, Chris Reilly, Kosmos Samaras, Clancy Dobin, Brett Collett, John Sawyer and Sonia Kociski. I also thank Young Labor, my federal parliamentary colleague Gavin Marshall and my state parliamentary colleagues Gayle Tierney, Jaala Pulford and Michael Crutchfield. I would also like to thank all of my local Labor Party branches; my former employer, the Community and Public Sector Union; and, in particular, Karen Batt and Jim Walton for their friendship and support. I want to thank the union members who helped me via the ALP Your Rights at Work campaign.

Lastly, I would like to acknowledge my family: my wife, Kirsty, who was so strong and supportive despite the trials of being pregnant for all of the campaign; my mum, Ondria, who is a hard-working charge nurse; and my father, Leicester, who recently retired as a technical officer with the University of Melbourne’s school of forestry. Thank you all so much.

It is daunting to be elected as only the third Labor member for Corangamite since Federation. Previously, the voters of Corangamite have turned to Labor during momentous events. Corangamite voters first turned to Labor in the lead-up to the Great War, when James Scullin was elected. It happened again in the Great Depression, when Richard Crouch took office. Of course, I have been elected during another very significant period: 2007 and the years preceding it saw the great cultural war—the coalition’s war on fairness and the great struggle to retain the central Australian cultural value of the fair go. To have Labor standing on this side today is a great victory for the Australian fair go.

Corangamite has been a safe Liberal seat for decades. It has received little attention and many members may not know a great deal about it, so I will give you a brief travelogue. I would like to use the journey to describe the character of these communities and the challenges they face and to make my commitments to them. Firstly, Corangamite is the country of the Wathaurong, Gadubanud and Gulidjan people. I acknowledge their ongoing attachment to country and the contribution they make to our region today.

If we are to pick a geographic point to start to describe Corangamite now, we should begin at Point Lonsdale and Queenscliff. Here Victoria’s colonial history and the great change began. You can look across to the Port Phillip Bay heads and the Rip. Through this gap the first wooden ships sailed and dropped anchor. William Buckley passed here in his remarkable 30-year solo odyssey as the first whitefella to visit the
region. His survival, due to the generosity and compassion of the local indigenous people, was the genesis of the great Australian phrase ‘Buckley’s chance’. Buckley’s chance, by the way, was a phrase often applied to my own campaign. Winning this seat is evidence of the wisdom of another great Australian phrase—that is, ‘Have a go, mate!’ We then travel in a westerly direction to Ocean Grove and Barwon Heads. These towns, of course, now define in legend Australia’s sea-change phenomenon. Who could forget the quintessential Australian characters of Diver Dan and Laura Gibson? Dan was laconic, rugged, cynical and hiding his vulnerability. Laura was game, feisty, passionate, introspective and honest.

To my mind, the success of these characters said something about Australians. It said something about what we aspire to as Australians. I want to talk about these values. We heard a lot about the aspirational, the sea changers and the tree changers in the recent election. They certainly played a big part in Corangamite. We, as politicians, appealed to the aspirational. We courted them; we cajoled them; at times I begged them. But, to me, the pitch often appeared to be about the material things and gaining a higher status. There was the expectation that you should be leaving the old values behind for a new, classier life. I think we are missing a fundamental point: aspirational Australians are also aspiring to better values as a community and as individuals.

The aspirational are searching for those great Australian values of openness, friendliness and a close community. That was the appeal of SeaChange show. I believe that as politicians we have a responsibility to display and inspire those great values. Until recently, these were the values for which Australians were known. These values are what I was taught as a boy: to treat people as equals, to engage with people, to be encouraging, to be understanding and to be a reliable friend. My pledge to all of you here today, including those on the other side, is to always strive for these values—the values Australians know as common decency. To my electors, I pledge the same: to always be available, to be accountable, to support you and to be there for you.

The Great Ocean Road is the next stop in Corangamite, with the coastal towns of Torquay, Anglesea, Aireys Inlet, Lorne and Apollo Bay. These are rapidly growing towns and communities. The Great Ocean Road is Australia’s largest monument, built by 3,000 Australian ex-servicemen as a tribute to those who made the ultimate sacrifice. If you have not been to the Great Ocean Road, you have seriously missed out on both the history and the view.

However, these towns, the Great Ocean Road, the Surf Coast and the whole of the Bellarine Peninsula face daunting challenges. Climate change and rising sea levels are a deadset frightening scenario, with predictions that much of the Bellarine Peninsula will be inundated. We will lose major industry, houses, and recreational and community facilities. The Great Ocean Road, the engine room of the tourism economy, will be breached in place after place. Local towns will become local islands.

Sustainability is a massive challenge for all Victorians. In our region and in Australia we have to learn to provide water, power, housing, sewerage and transport services to these growth communities sustainably. Per head, we come from the worst offending state in a nation that is one of the worst contributors to greenhouse gases. There is no greater challenge for us. We have to work with business, all levels of government and everyone in the community to stabilise the planet’s climate. What a breath of fresh air it was to see Labor make a start and sign
Kyoto. Labor’s future initiatives on carbon trading, greenhouse gas targets and other climate change measures are also so important. I pledge to my electorate to support these changes and to push hard for pre-emptive action at local, regional, national and international levels on climate change.

There is another great sustainability challenge our society faces—that is the challenge of sustaining affordable housing. It is a simple fact that most kids in the Surf Coast and many other areas in my electorate will never be able to buy where they grew up. How did we get to a situation where, according to the latest figures, the average Australian family has to pay up to 50 per cent of their net income on mortgage repayments? Labor has pledged to implement some important initiatives on housing affordability. I will push every council, every developer and all governments for affordable housing in every new housing development, every chance I get.

So, we follow my electorate from the Surf Coast into the hinterland, on to Colac and Winchelsea and the many small inland farming communities, including Birregurra, Lavers Hill, Gellibrand and other small towns within the Otway Range. These people are fiercely proud of their towns. They are loyal to them. The people of Colac and Winchelsea have been through a lot over recent times. They have suffered with major transition in primary production—in particular, in the timber, livestock grazing and dairying industries. Many of these small rural areas are still drought affected, doing it tough—farmers every day working long hours so that we can have meat, milk and grains on our table. These are strong, supportive communities with resilient characters, who are rapidly adapting. In 2007, Colac voters put their trust in Labor. Many logging and farming families in the region have given Labor a go for the first time. My pledge to the people of Colac, the Otways and the surrounding region is that I will do my level best not to let you down.

Corangamite stretches up from Colac to just south of Ballarat. It then cuts across to Rokewood, Dereel, Linton and Smythesdale—all strong farming townships, all with a strong sense of community. From here we travel to Bannockburn and then the southwest suburbs of Geelong and the rest of the Bellarine Peninsula. Within this area is another huge growth corridor, home to tens of thousands of young families working towards owning their own homes, looking for job security and a healthy and safe life for their kids. The needs of these families have been ignored over the last decade. They need support to make them feel a part of their community.

I have the task of representing one of the most diverse, dynamic and beautiful regions in Australia. Corangamite has it all: friendly, spirited people; a wide range of industry; world-class coastline; superb bays and beaches; and fantastic forest and farming areas. We have great sporting clubs, cultural organisations and terrific volunteer groups, making up a great community. In the next three years we have a great opportunity to build even stronger communities. To me, that is what Labor is about.

Over the last 11 years, those great Australian values I talked about earlier were, I believe, degraded. We were encouraged to turn our back on our fellow workers. We were encouraged to blame the disadvantaged for their disadvantage. We were encouraged to fear and distrust cultural difference. We learnt how to spread fear with coded words and coded acts. The Australia I want is not this Australia—that is just not Australian! We need to remember what we were and then build on it. We were one of the architects of the UN declaration of human rights. We led
the world in workers’ rights. We led the post-
Cold War Western world into China and Asia
through trade and culture exchange. We wel-
comed refugees from war-torn neighbours.
We were known for our inventiveness. We
were known for our compassion and plain
speak. That is the Australia I want.

For way too long there have been almost
no community-building initiatives in Coran-
gamite. Where they have happened, they
have been fragmented and disjointed. I am
on about smart community building, where
taxpayers’ dollars get maximum value. It is
about coming up with a range of ideas that fit
together as a whole, where one bit of infra-
structure complements another. I believe we
should not cream off tax dollars from work-
ing families as an unfettered right. We are
entrusted with tax money—working people’s
money. We are given it and we are expected
to use it wisely, because the vast majority of
Australians believe we are not all just little
individual islands. Most Australians know
we are part of a community and that we have
to keep working on developing our commu-
nity. We are given tax dollars to use effi-
ciently to help build vibrant, healthy local
communities where everyone benefits and
those in need or at a disadvantage are given
extra support.

I am pleased to say that, during the elec-
tion campaign, we were very successful in
winning support for some fantastic commu-
nity-building projects. But, most importantly,
all of those projects go together to make a
whole. It is a matrix of projects that will
make a real difference to our community. In
the Surf Coast and the southern Geelong
suburbs, for example, we have funded brand
new sports, community and recreational pre-
cincts. Going with this is a major water sav-
ing and recycling plant which will feed the
sports fields and at the same time be avail-
able for industry and parks.

In this same region, we are building a
whole new road transport system that will
make access to the region much easier and
travel to and within it more efficient. These
roads will also open up new growth corridors
for affordable housing, new businesses and
new jobs. The same road system will provide
better access to a major driver of the regional
economy, the Great Ocean Road. We are also
making funds available to improve the envi-
rionment and facilities available on the Great
Ocean Road. This is an integrated commu-
nity-building vision. We have created the
vision by bringing together people with local
knowledge and ideas, by looking at a crea-
tive way to fit projects together and then by
going out and strongly advocating for it.

I want to say a few words about issues
that were decisive in the election: workplace
laws and a fair go. The Labor Party and the
Australian society were founded on a fair go.
The fair go now has broader application but,
originally, it was born out of union work-
place campaigns from over 100 years ago.
The culture created by Work Choices and its
Trojan Horse, AWAs, was and is appalling. It
was totally un-Australian. Australia will be
an infinitely better place for the fact that
these laws will be overturned. My pledge to
the people of Corangamite is to always sup-
port workplace laws that are fair and bal-
anced.

In winding up I want to say that, just over
two weeks ago, my first child was born.
Isaac is only a couple of weeks old now. I
look into his eyes and a sense of wonder and
a deep well of love takes over. I feel an abso-
lute duty of care. I just want Isaac to grow up
in a world that is kind, where he will be safe,
where he will have opportunities and where
no one will bully or stand over him. I do not
want him to be an adult in a world where
human-induced climate change is causing
dislocations to communities and whole na-
tions. I do not want him to go to work being
afraid express a different opinion from that of his employer. I want him to grow up in a community where he walks down the street and instinctively exchanges a ‘G’ day mate’ to a passer-by. I want him to teach his children, my grandchildren, that Sunday is the day they bring a cup of tea to mum and dad in bed.

We are part of an exciting nation—an Australian society that overall is amongst the most free, innovative and successful in the world. We got here not by some magic ideology; we got here by sticking to the values of tolerance, a fair go and decency—and that is exactly what I will be fighting for in this place. Thank you.

Mr ANTHONY SMITH (Casey) (10.47 am)—I congratulate the previous speaker on his first speech. I also join with him in his remarks recognising the very long and good service of his predecessor, the former member for Corangamite, Stewart McArthur, who served that community and this parliament with great distinction over a long period of time.

I am pleased to speak in this address-in-reply debate following the election and my being elected for the third time as the member for Casey. All 150 of us in the House of Representatives are very fortunate to represent the communities that we do. We represent every corner of Australia. This House brings together a diverse range of people, representing the great diversity that is Australia. To be a member of this parliament is indeed a privilege.

In listening to the first speeches of the new members from both sides, I found it refreshing to hear members recognise those people who helped them so much. None of us can get elected to this parliament on our own. We all know that. You need the great help and support of family and friends and, of course for most of us in this chamber, of our respective parties. It is important to recognise the great democratic role that our parties do play.

We all look back to election day—Mr Deputy Speaker Bevis, you have had more election days than me—and at the sheer process of the party organisation in making sure that the right number of people are handing out how-to-vote cards at so many booths. You hope that the couple of hundred people involved all turn up on time and at the right place. The first thing I think about when the alarm goes off on election day is that everyone has turned up and that they are all in the right spot. It is something that the major parties do not recognise enough. While we have different views on so many policy issues, we recognise that the members of our respective parties are truly dedicated to the causes we believe in and that they play a critical role in our election to this parliament.

I want to thank my campaign team. Of course, those who helped numbered in the hundreds, but I particularly want to thank the Liberal Party campaign committee in the federal electorate of Casey. They include the state member for Kilsyth, David Hodggett, who was the chair of the campaign; Annette Stone, the electorate chair; Jill Hutchison; Christine Fyffe, the state member for Evelyn; Fran Henderson; Neil Gryst; Clive Larkman; Jim Dixon; Ralph Inglese; Peter Manders; Bryan McCarthy; and John Lord. I particularly want to pay tribute to them for the tireless efforts they put in on my behalf and on behalf of the Liberal Party to run a first-class campaign last October and November in the electorate of Casey. As I said earlier, without the efforts of these people and of so many others, my election would not have been possible—and that is true of every member in this House at this time.
The major parties and the party system get a pretty poor wrap from time to time. The party system does have its faults, but they are absolutely overshadowed by the contribution that the system makes to this parliament and to our democracy in Australia in giving it stability and order. Obviously I was very disappointed in the election result of last November, but that the transition to a new government took place in such a smooth way was particularly Australian and democratic. There has been much said and written about the wonderful democratic culture that allowed that to occur.

But the other thing that is not often recognised is that so much of that stability, order and ability for a smooth transition very much rests on the fact that we have major parties—the Liberal Party of Australia in coalition with the National Party, and the Australian Labor Party—here in this parliament. I do not say that in any way to denigrate the role of Independents but I do not shy away from the fact that if this House were filled with 150 independents, you would not have had the smooth transition that we had. The major parties bring stability and order to the democratic process so that the will of the people can be easily identified. A new government can be formed, sworn in and begin work prior to the commencement of parliament, and there is a certainty about a government being able to bring its program forward. I think it needs to be recognised in this debate that, for all the criticism of the major parties that occurs, without them this parliament would have been a very different place. You only need to look to those parliaments around the world where there are multiples and multiples of parties and the lack of stability that brings to their system.

While I am talking about the election result of last year I want to spend some time, as you would expect—and I know as the minister opposite would expect—talking about the important legacy of the previous government. We left the country and the economy in very good shape. Having said that, we fully expect, as is the role of an opposition, to be blamed for absolutely everything that goes wrong for a considerable period of time. That is part and parcel of politics, but it does not square with the facts of the matter, particularly in terms of economic management.

In 1996, when we took the government benches, the budget situation and the economic situation in Australia were very different from what they are today. I particularly point out that the $96 billion of debt—and we hear that figure repeatedly—was a very real figure. It had been caused by successive budget deficits of $10 billion, $11 billion and more, which in today's dollars is much bigger when you consider that the size of the budget has pretty much doubled. It had a very real impact on what the federal government could do. Part of the problem was that we had a failing tax system—a system that could not provide the revenues that a federal government needs to perform the important services that we all care about. We have a lot of differences, but we all care about education, health, defence and all the other key issues. But to fund those issues requires not only a strong economy and a strong budget position but, importantly, a strong revenue base. When we set about tax reform, it was absolutely key to providing the stable revenue base that is the backbone of the budget and our economy today.

Of course, we were opposed in effecting that reform. I remember, and it has been said often in this parliament, that the now Prime Minister particularly—and he was not alone—opposed that tax reform. He declared in this House in 1999:

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

Of course, as we approach the ninth anniversary, he does not believe that. He was engaging in cheap political point-scoring. We know he does not believe that, because he is not seeking to reverse either those reforms or what they have provided. But that tax reform, which was introduced with great opposition, and the paying off of government debt have left this country and particularly the new government in a very strong financial position. I will give you some idea of what $96 billion of government debt was costing the budget each year: about $8\frac{1}{2} billion. With government debt paid off, that $8\frac{1}{2} billion can now be spent on things other than interest. It is $8\frac{1}{2} billion that is free to be spent on all sorts of priority areas.

Budget deficits are now being replaced by budget surpluses, and the talk of the budget is not how big the deficits will be but how big the surpluses will be. We have future funds that have been created, but that $8\frac{1}{2} billion every year importantly enabled the previous government to fund new programs that could not have been envisaged when we were saddled with high debt, recurring deficits and a tax system failing to provide the revenue that the nation needed. Specifically, it allowed the government to step in and bypass state failure in a number of key areas. It enabled the government to step in and create community partnerships and direct communal links from the federal government right down to the local level.

I specifically refer to the Roads to Recovery program, which is a good example, and I urge those opposite to keep that program. I specifically refer to the Investing in Our Schools Program, which enabled the government to step in, bypass the bureaucracy that was holding back our local schools and fund local schools for the sorts of programs and projects that they determined were important. The $1.2 billion program over four years helped a huge number of schools—particularly primary schools, who spent $800 million of the $1.2 billion. We point out to the House that that program has been abolished. It should not have been abolished. Our local schools will suffer, and that direct link to the federal government has been severed.

At the local level—and I know the member for McPherson, here with me, will share the same experience—it had a huge impact on local schools. In Casey, $6.7 million was delivered to 139 projects at 59 schools—that is every school, government and non-government—for all manner of things that were key priorities at the school, from a performing arts extension at the Croydon Secondary College to shade structures at Monbulk Primary School. Croydon Primary School spent a significant portion of its money upgrading its toilets because they were in a state of disrepair and had had no work for 20 or 30 years. The state government had failed and, because of the extra resources from paying off government debt, the previous federal government was able to step in and create that program.

Another important program was the security cameras and crime prevention program. I fear that that program will go the same way as the Investing in Our Schools Program. The federal government stepped in directly with local communities to fund crime prevention strategies and security cameras, and that had a huge impact. In the electorate of Casey, security cameras have been installed at Lilydale and Croydon and are to be installed at Mooroolbark and Mount Evelyn. In Lilydale where they have been installed, there has been a 70 per cent reduction in crime. I say to the members opposite, particularly the new members: your communi-
ties will want to pay on results. They will not be interested in problems being unsolved or in being told that problems will be solved by the state government one day.

These direct partnerships are being severed by the new government. They are being severed in the name of its so-called new dawn of federal-state cooperation. From election day, this government has proceeded to cave in to state pressure. As I said, it has done so already on the Investing in Our Schools Program and I fear it will do so on security cameras. But I predict that this new federalism, which will evolve from its heady days now to reality tomorrow, will become a serious problem for this new government down the track as the failing Labor states seek cooperation to slide back to their comfortable position of failure and low standards. Federal-state cooperation cannot be cooperation to cover up problems rather than fix them up.

In the first three months of this government, we have seen a federal-state Labor love-in, as you would expect, and it is being hailed as a new dawn. We saw that very much with the comments of the Treasurer and other new ministers at the time of the first COAG. Of course, right now, they can meet and congratulate each other, and they can blame every failure on the previous government. They can blame every failure on John Howard. They can do that for a period of time. That was the way of the Labor states. Whatever problem occurred in the Labor states under the previous government, they pulled out that reusable fig leaf to blame the federal government for the whole period.

It is the case that right now the federal government and all the Labor state governments right across Australia are very much backslapping each other. The wedding has occurred. The confetti has been cleaned up. What will evolve in the future that will be important is how the marriage is going to work in practice. The difficulty for the federal government will be getting the states to actually perform their role. The state governments will want cooperation all right: they will want cooperation to cover up problems. If the Labor federal government does not agree to that cooperation to pretend things away, if it does not agree to cooperate to cover up state failure, in time the state governments will be blaming this federal government.

The real issue in federal-state relations is getting those state governments to meet their responsibilities. The rhetoric of blaming the previous government will work for some time, but soon, in reality, the important issues of actually fixing the problems that we have in our local schools and local crime hot spots will need to be addressed. The strategy may sound good now, but if the plan of the new government is to handball responsibility on all these issues back to the states—and it is pretty clear that that is the plan of the new government—we know what the result will be, because, when something is handballed to the states, they drop the ball. They do it every time. They cannot catch.

This federal government will hand back funds to the states for local schools, presumably, and then on the ground, when those projects are not being fixed like they were in the Investing in Our Schools Program, this government will be held to account. If the federal government decides to cave in to state pressure and abolish the Community Crime Prevention Program, that will be not just clear in this parliament but very clear in the electorates of those members opposite.

I would urge those opposite, as the heady days of this new federal-state marriage subside, to look with reality at the practice. I can say that Labor state governments certainly are not perfect, and state governments of a
Liberal persuasion in the past have not been perfect either. At the end of the day, our responsibilities are to fix the problems in our local communities. At the moment, the only solution seems to be to handball every single responsibility back to the states so they do not have a light shone on their failure. As the states fail again in the future, as they have failed in the past, this federal-state cooperation will very much be a problem for this government that it will have to address in the months that lie ahead.

The Deputy Speaker (Hon. AR Bevis)—Order! Before I call the member for Flynn, I remind the House that this is the member’s first speech. I ask that the House extend to him the usual courtesies.

Mr Trevor (Flynn) (11.06 am)—Thank you, Mr Deputy Speaker Bevis, and congratulations on your appointment. I rise today in these great but somewhat formidable surroundings to speak as the first ever federal member for the newly created seat of Flynn. In doing so, the Australian Labor Party and I create a little bit of history, a fact of which we are immensely proud. I acknowledge the traditional owners of the newly created seat of Flynn and Australia generally and, in doing so, also take this opportunity to personally say sorry to the stolen generations of this land. I offer my congratulations to the ALP class of 2007 and all of their support crew and I look forward to their companionship and company during my stay here, no matter how long destiny determines that may be.

It is right and proper for me to inform the House about the great Australian whom the newly created seat of Flynn was named after. The new seat of Flynn was named after the late Reverend John Flynn, who was the founder of the world’s first flying medical service, the Royal Flying Doctor Service of Australia. Back then, as it is now, no matter where illness or accidents strike, medical help was on call thanks to the man known as 'Flynn of the inland'. My thanks go to Stephen Barber from the Parliamentary Library who was kind enough to provide me with the following passage which puts the matter so succinctly. I quote from the AEC that the seat of Flynn was named:

... in honour of the Reverend John Flynn, founder of the Royal Flying Doctor Service, who, in the early days of flying and also of radio (beginning in 1928) harnessed both to the relief of suffering and the saving of lives in the remote regions of Queensland and, ultimately, Australia. The flying doctor service for the provision of emergency medical care he pioneered was the world's first, and is still the most comprehensive service of that kind.

May I add that, if one looks at the $20 note in one’s pocket, this great and compassionate Australian, the Reverend John Flynn, appears on the same, immortalised and honoured as he should be. I say to Reverend John Flynn’s surviving relatives: it is indeed a great honour to serve in the name of Flynn as its first ever federal member.

It is also a great honour to be part of a Labor government which acknowledges the outstanding contribution the Royal Flying Doctor Service continues to make to my community of Flynn. To take an example: in February this year Minister Albanese announced funding in my electorate to upgrade the Tambo, Springsure, Rolleston and Alpha airstrips, which will improve safety for all Flying Doctor planes. I thank him on behalf of those communities for that and also behalf of the Longreach community, where we have committed to contributing $6.6 million to their airport, which will among other things improve safety for the Royal Flying Doctor Service.

Flynn contains within its vast boundaries the birthplace of Labor, and I am both humble and proud, as is Labor, to represent the
people of Flynn and, among other things, to be part of a team that will put an end to that insidious piece of legislation, Work Choices. The seat of Flynn covers an area of 314,305 square kilometres, give or take an inch or a yard. I sincerely thank the community of Flynn for the great honour they have granted me in allowing me to represent them in federal parliament. I have not and will not let them down; I do not think I ever will. Already, significant community announcements have been made for the electorate of Flynn. They are far too numerous to mention here, but on behalf of my community of Flynn I thank the Prime Minister and the Australian Labor Party for their recognition and ongoing support of Flynn. I have only recently welcomed back to my electorate the Prime Minister and Treasurer and, hopefully, the community cabinet will follow shortly.

Flynn is one of the most diverse electorates in the land and includes, but is not limited to, primary production such as coal, oil, gas, orchards, cotton, grain, seafood, cattle and sheep. Gladstone, or the ‘Port City to the World’ as our local community champion Mayor Peter Corones describes it, is that part of the electorate where I live. It will soon, in my opinion, be the industrial capital of Australia and is already home to significant major industry with the port, under the watchful eye of CEO Leo Zussino, being the major export facility for the area. My home town of Gladstone is facing a cusp of major industrial development in the next few years and, unless government takes notice of the substantial infrastructural and social building blocks necessary to support this growth, Gladstone will fall over the cliff. I want to make it clear at this juncture that I believe a major portion of my community of Flynn sent a clear and unequivocal message to the previous coalition government that they grew tired of contributing billions of dollars worth of revenue to the federal government coffers only to get lip service for their loyalty in return, when it came to, among other things, simple, basic government services such as a Medicare office in Emerald and completion of a ring-road like Kirkwood Road in Gladstone. I am pleased that my government has already acknowledged their contribution and has made amends in respect of both of these long overdue community necessities. I give notice that I will be calling for a lot more because, in my opinion, my community has been ignored by government for far too long. In saying this, I also give notice that I will not let any government, no matter who they are, take advantage of my people any longer. I commit today my unwavering loyalty to the people of Flynn, and if I should fall on my sword as a result of it then so be it.

Today I bring to the attention of this House so that the matter is on the record if things go wrong that the Gladstone Airport runway may soon have to close because of its state of deterioration. This would have a devastating impact on current and future industry in Gladstone and bring it and the community to their knees. The people of Flynn, as diverse as they may be, from farmers in the west to the South Burnett to the coalminers in the east, are a can-do lot. They are both friendly and helpful but also stoic in the face of adversity. Somehow they manage to cope with droughts, floods and coalmining disasters. In saying this, I acknowledge the financial support of my government during the recent catastrophic floods in Emerald, Gemfields and surrounding areas. I also acknowledge and thank Premier Anna Bligh and state government ministers Tim Mulherin and Neil Roberts and National Party member for Gregory, Vaughan Johnson, for their compassion, understanding and support to those residents in Flynn affected by the recent devastating Emerald floods. I pay tribute to Emerald Mayor Peter Maguire, his councillors, the many volunteers, including,
but not limited to, the Salvation Army, SES and Red Cross and to all those who assisted flood-affected victims during the peak of the floods and the remediation work which follows. I thank the insurance companies who, whilst not legally required to do so, morally felt an obligation to help victims in their time of need.

I thank the Prime Minister for responding to the Emerald community by announcing funding for flood-affected victims and then acknowledging their need by announcing a weather radar for them. It is only through a miracle that life was not lost recently because of this vital piece of infrastructure being delayed by the previous Liberal-National Party government for four long years. Finally, under a Rudd Labor government, farmers, businesses and the community in general in Emerald and surrounding districts have been respected and their voice heard.

In the process of creating the new federal seat of Flynn there was a need to readjust boundaries, including those of the federal seats of Hinkler, Maranoa and Capricornia. I place on record my special thanks to National Party federal members Paul Neville and Bruce Scott—despite what I believe to be their government’s failings—and Labor Party member Kirsten Livermore for their commitment, passion and public service to the people of their former electorates who are now in the electorate of Flynn. The rest is now history. To all the people who got me here, including the community of Flynn: thank you. Thank you to Kim Beazley, Bill Ludwig, Jimmy Wilson, my good friend Tony Beers from the AWU, Jim Valery, Michael Reik, Blacky, Dougie, Alex and crew from the CFMEU, Craig Giddins from the ETU, Phil Golby and John Hempseed from the AMWU, Milton Dick, Anthony Chisholm, Leo and Liz Zussino, Bill and Pat Prest, Russell Thomas, Paul Bell, Corrie McKenzie from the Prime Minister’s office and Shelly Holzheimer to name but a few. To all unions, both left and right, who united behind me, also Graeme Crow, Darrell Main, all branch members of the ALP, other helpers and supporters and the Your Rights at Work team: thank you.

My decision to enter politics would not have been remotely possible without the support of my loyal staff and legal team back in Gladstone, including David McHenry and Margaret Esdale at my legal firm, Chris Trevor and Associates, one of Central Queensland’s largest, proudest and most successful legal firms—built on trust and respect.

It would be wrong of me to not specially mention that Barcaldine is part of my electorate. Barcaldine, of course, is the birthplace of Labor and home to the famous Tree of
Knowledge. The tree is now dead, poisoned they say, while others suggest it died of shame when that dreadful piece of legislation, Work Choices, was introduced and passed in this parliament. Whatever the reason, I acknowledge the commitment to restore the tree by way of monument by my government and the great work that Mayor Rob Chandler and Pat Ogden and others are doing to bring this project to reality. Like the Mayor of Longreach, Pat Tanks, and others out in that neck of the woods say, tourism will play a big part in the financial future of their communities. This monument, and the support of tourism in the outback, are integral to that part of my community’s sustainability and viability and have my full and undivided attention.

Mr Deputy Speaker, what brings a man like me to hallowed halls and corridors known as Parliament House where only just over 1,000 Australians since Federation have previously gone before? It is not the pay, for I have taken a pay cut to be here and, in any event, I have never judged a man’s or a woman’s success on the size of their wallet or, for that matter, what is in it. It is not the glory, for that is something which, to a large extent, is incapable of being shared.

My primary purpose in being here is to represent my community of Flynn and to give them a strong voice in government. My motive to enter parliament, in all honesty, is not entirely unselfish. It empowers me and strengthens my resolve to do well for others at the highest level. It enables me to continue to share with my community what I discovered at a very early age and what is perhaps the greatest gift of all—the gift of giving. For, if a true confession be made, I perhaps, like others here, am a restless soul tormented by the need and desire to improve the life of others. My willingness to help others, including my substantial contributions to charity, is well documented and is well known throughout my community.

For, if a true confession be made, I perhaps, like others here, am a restless soul tormented by the need and desire to improve the life of others. My willingness to help others, including my substantial contributions to charity, is well documented and is well known throughout my community. From words spoken, given freely, to walking down highways for hundreds and hundreds of kilometres in the name of charity in 2005 and 2006 to name but a few, I have given for the greater part of my life already almost my all. Now a new chapter of giving for CT begins.

My path to this destination has, like many others before me, not been an easy one. In order to speak up for and represent my community down here, I have had to overcome an overwhelming and petrifying fear of flying. To all of those Australians with phobia I say this: I did it, I conquered it and I beat it, because if you want something badly enough, whether it be what I wanted, to help and to give, or just internal peace, you can do it. Trust me, you can do it.

I have much to talk about on the issues in Flynn and, in coming months, talk I will. Adopting a broadbrush approach, because time is limited for this first speech, not everybody is enjoying the fruits of the resources boom and there is much pain and suffering in my electorate.

Before I conclude today, I want to specially thank my campaign manager, Jon Persley. During the campaign Jon shared my ups and downs, my elations and my disappointments. Whilst we did not see eye to eye on all occasions, to his credit he hung in there. He did teach me one lesson in life, one that even my valued friend and former captain-coach and rugby league legend Chris ‘Choppy’ Close could not, try as he did with me, and that is this: ‘It’s far easier to get across the line by looking for the gaps, CT, than trying to run straight over the top of people.’

I want to acknowledge some very special people in the gallery today: my mum, Iris Trevor; my wife, Colleen; and our good friend the loyal and trusted Jan Vesey Brown.
I thank my family: sisters Michele and Sharon; my nieces Sandy and Sharlene; my nephews Daniel and Lewis; Judy and Denis St Ledger; Emma and Linzi; my wonderful sons, Joel, Guy, Rhys and Pryce; and my No. 1 supporter, my 11-year-old daughter, Kiara. I thank my personal assistant, Michelle Jones, for her tireless efforts and wonderful support in bringing this result to fruition.

I miss in the audience today but pay tribute to my dad, the late Allan ‘Foo’ Trevor. I dedicate this first speech to him. We made it, Foo, and whatever else happens from here on in, no-one can ever take today from us. My dad’s hand is the hand which still guides me in whatever I say and do. A kind and gentle man, my dad grew up on his father’s dairy farm, later becoming a Gladstone train driver. A greenie by heart, but staunch Labor man, he would, I suspect, be a little disappointed that his son got many more Liberal votes than Greens vote preferences but proud that his son had universal appeal, just as he had. My dad taught me all about the bush, how to hunt, how to gather and how to live off the land. Together with mum, he provided a loving and caring environment in which to grow—something that money just cannot buy. Thank you, Mum.

Finally, to my dear wife, Colleen, for supporting me in everything I say and do and don’t do, especially around the house: today and in the future she will walk in front of me where she deserves to be. Let the record reflect that she, above all, deserves this finest hour. Thank you, Mr Speaker, and to all of you, thank you.

Mrs MIRABELLA (Indi) (11.25 am)—It is a measure of just how resilient our Australian democracy really is when the political upheaval of a change of government occurs with dignity and without rancour. We need to be particularly proud of the fact that Australia is the sixth longest continuing functioning democracy in the world. Other countries would indeed relish the freedoms and the lack of civil strife that are synonymous with our country and its history. The new Labor government will be judged in time on whether it has moved beyond the surplus of circuses which have so characterised its first few months in office and whether it actually makes the hard decisions to plan for the future of the Australian people and this great nation of ours.

I want to speak on a number of issues raised in the Governor-General’s speech as well as some other issues pertinent to my electorate of Indi. Prior to and during the recent election campaign, I made a number of local project announcements that a re-elected coalition government would honour. Since the election, I have sought assurances from the new government that these projects will be supported and delivered. The new government has apparently informed us that it is currently reviewing some of these previously approved projects, projects approved well before the election. This has caused some distress and some uncertainty amongst many organisations in my electorate in northeast Victoria because they had relied on the word of the government that it would make good its grant of certain moneys.

These projects include grants such as the medical infrastructure funds for a new medical centre at Violet Town, infrastructure funding upgrades at HP Barr Reserve in Wangaratta and enhanced medical facilities in Myrtleford, Bright and Mount Beauty. In addition, I have been seeking confirmation from the new government of vital infrastructure projects, such as the Nagambie Bypass project, along with the $45 million allocated to the Wodonga Rail Bypass and whether the new government will continue with the grants to local governments under the Roads to Recovery program, which is a very popular and much-needed local funding program.
I have had some positive news on only a couple of these projects and I eagerly wait to hear positive results on some of the others. Just because there is a change of government, it does not mean that the needs of our community change. It does not mean that the needs of rural communities change. I will continue to stand up for the needs of the people of my region of north-east Victoria and continue to fight for our fair share.

At the top of the agenda is water and water security. And nothing is closer to people’s minds in the north-east of Victoria than state Labor’s plans to pipe our region’s water to Melbourne. This is a callous plot that will undermine water security and sustainable water practices in our region. CSIRO’s Ovens-Murray climate change report provides another reason for the Labor Party to plug their pipeline to Melbourne. The best estimate of the report is a 13 per cent reduction in average end-of-system flows from the Ovens system into the Murray River by 2030. In addition, the state Labor government will flush even more water to Melbourne. This is equivalent to a 228 billion-litre reduction in flow to the Murray per year and comes in addition to a series of warnings from the Bureau of Meteorology of already stressed water supplies.

We already live within a water catchment that is severely stressed, and which Labor’s own report says will be stressed more in the future. The system simply cannot sustain piping water to Melbourne. It is not surprising to realise that, if inflows drop, outflows must also drop. In this reduced water environment the correct response is to do what we can to increase the water in our region, not flush it down to Melbourne. Creative and innovative lateral solutions are required for the Melbourne catchment area—and indeed for metropolitan Melbourne—not knee-jerk panic reactions from governments that do not look to the future and that think they can sacrifice rural and regional Victoria because, in the interests of their survival, they see more votes in Melbourne. That is short-sighted, and if this pipeline goes ahead they will be damned forever into the future for such a disastrous short-sighted policy.

The Bureau of Meteorology recently restated:

The deficiencies discussed above have occurred against a backdrop of—multi-year—rainfall deficits and record high temperatures that have severely stressed water supplies in the east and southwest of the country.

In announcing the report, the federal Minister for Climate Change and Water, Senator Penny Wong, claims that she is ‘committed to securing water supplies as we deal with the challenges of climate change’. If this is more than a Rudd-inspired political slogan couched in empty symbolism, she needs to secure our water supplies by stopping the pipeline to Melbourne. It is also concerning that the CSIRO report recognised that local towns will have more frequent mild and severe water restrictions under all but the wettest scenario, yet the Labor Party is doing absolutely nothing to secure our local water supplies. This is on top of the news I received via correspondence recently to the new water minister that the new Labor government will not be enforcing the previous government’s restrictions on Lake Mokoan’s decommissioning. As I warned in the past, the Labor states will continue to treat the federal Labor team as a collective patsy. The states say, ‘Jump,’ and the federal Labor Party says, ‘How high?’ As my colleague the shadow minister for water security stated only this week, by allowing the states to set their own allocations, Minister Wong has simply given the green light to the Brumby government to pipe unlimited water out of the Murray-Darling Basin. It is simply non-
sensical to have state Labor spend $750 million of taxpayers’ money to pipe water out of the basin when the Australian government has committed to spending $10 billion to increase flows to the Murray-Darling Basin.

The government flaunts its so-called education revolution, but this term is a misnomer. Within two months of its election, the Rudd government put the boot into one of the most innovative funding schemes that our education system has seen: the Investing in Our Schools Program. This was despite the now Prime Minister saying before the election, 'It’s a useful program worthy of bipartisan support, you bet.' Well, I suppose until after the election result was known! Last month I attended the Middle Indigo Primary School, in my electorate, for the formal opening of their new toilet block. This school was subject to an investigation by the Age education supplement in 2005, which reported the following:

... Middle Indigo Primary may have the dubious claim to the worst school toilet block in the state. The school of 16 has done its best to brighten it up with a cheery beach mural painted by the children.

The horrors are on the inside. Orange paint on the walls warns where asbestos has been exposed. There are no locks on the doors and no electricity. The toilets are also used by the staff. In the boys’ toilets, the urinal runs into the soil.

Parents say they have been told by local Education Department authorities that the toilet block is a low priority.

It was a low priority that would have continued to be a low priority under the state Labor government. The children and teachers at that school were totally abandoned and ignored. It was only when the school received a $103,787 grant under the Investing in Our Schools Program to repair their dilapidated toilet block and replace it with a new environmentally sensitive block—which more adequately serves the school community—that the school got the basic hygiene services that those students and teachers deserved. It is surely not much to ask for school students and teachers to have access to appropriate toilet facilities.

It was not only Middle Indigo Primary School that accessed the Investing in Our Schools Program funding, but many hundreds and thousands of schools across the nation which had received underinvestment in basic capital grants and basic maintenance. They have managed to upgrade their facilities and provide a decent environment for children to live in and learn in. By gutting the Investing in Our Schools Program, the Rudd government is saying that schools like Middle Indigo Primary School should fend for themselves, irrespective of budget surpluses and irrespective of serious state government neglect and dismissiveness. There are numerous examples of state Labor neglect in our government schools, and the Investing in Our Schools Program filled that gap. It filled that gap as well as it could and it made a real difference to those school communities. It empowered local school communities to seek funding for essential works for their schools to suit the needs of that particular school community. It bypassed the neglectful states who contributed to such a blatant disregard for school infrastructure under their watch. Despite its rhetoric, and far from delivering an education revolution, the new government has delivered an education dereliction—a dereliction of duty and responsibility.

As I just mentioned, its first major decision in education was to cut a popular and important capital works program for schools. But it looks as though things will get worse. Not content with leaving carers and pensioners hanging in the wind, the Rudd government now wants to cull the $700 reading tuition vouchers for students, the initiatives promoting professional development for
teachers and important reward schemes for schools who improve their literacy and numeracy results. The Deputy Prime Minister said yesterday that she wanted every Australian child to read and write, and that unfortunately the statistics are giving us all cause for concern. Amazingly, though, Labor believes that the way to confront this is to cut the literacy and numeracy programs initiated by the previous government. My colleague the shadow minister for families and community services yesterday proclaimed—quite rightly—that the government ‘is suffering from compassion fatigue after just three months in office’. We have seen how things change. Gone are the pious platitudes railing against market fundamentalism, gone is the paean to Christian socialism and gone is the railing against Howard’s so-called Brutopia that we saw so hypocritically in the Monthly article in 2006.

This Prime Minister has failed his own parameters of decency and compassion. He can talk the talk in the style of a true bureaucrat, but there are people whose lives are impacted by the weasel words and subterfuge that we have seen in recent days in relation to payments for seniors and carers. Here is a word from some of Rudd’s forgotten people. I read from an email which I received last Friday from two of my constituents who live in Wodonga:

... by removing the carer bonus it will make people worse off than they are. The Labor government said that pensioners and carers would be looked after ... the low income earners are having enough troubles with food prices rising, electricity prises rising, gas prices, fuel prices and now to reduced further by the government.

After I responded to my constituents over the weekend, they again wrote back to me saying:

we are sorry to have to annoy you, but what’s a person to do? The people advising kevin rudd should wake up to themselves and try living in the real world.

That is the word from the street in downtown Wodonga.

If the government has time to apologise to Indigenous Australians and cut education spending, then surely it has time to honour the job and look after those in our community who need the most support—those people like our carers and seniors, who do so much for society and take the burden away from government bureaucracies. Who would have thought that in Australia in 2008, when a new government has inherited a surplus likely to be in excess of $20 billion, we would be debating whether or not carers or seniors will get their hard-earned bonus payment? This is the new era of Rudd Labor—symbolic gestures replacing good policy. Senior ministers cannot raise a peep without sanction from the Prime Minister. It is leadership of the one-man-band variety and it is starting to come unstuck. The honeymoon will survive for some time, but the Australian public have already started to see through the cracks of the well-orchestrated sideshow we see from the Prime Minister. The last three months have been a triumph of PR and spin but a defeat for the politics of accountability and good policy. The opposition will continue to hold this government to account, as the Australian people rightly demand and deserve.

The DEPUTY SPEAKER (Mr AJ Schultz)—Order! Before I call the honourable member for Wakefield, I remind the House that this is his first speech and I ask the House to extend to him the usual courtesies.

Mr CHAMPION (Wakefield) (11.40 am)—I am fortunate to be just the second Labor member to represent the electors of Wakefield. My only Labor predecessor, Sydney McHugh, served just two short years
between 1938 and 1940. Sydney McHugh was a farmer from Quorn who also served in the state parliament and who entered federal parliament after the death of the war hero Charles Hawker. In his time here, Sydney McHugh made speeches about the wheat industry, ethanol and pensions and expressed concern about the River Murray running dry. Some things do not change.

For the remaining years Wakefield was a rural seat, and its representation was conservative. The electorate is now made up of the proud working-class communities of the northern suburbs of Adelaide and the busy and picturesque town of Gawler. It stretches out to the Adelaide Plains and the Clare and Gilbert valleys, and at its heart is my home town of Kapunda. The history of my electorate indicates I should make the most of my time in the House, because it may be a brief stay. That I am here at all is a reflection of the love, work and sacrifice of many people, especially my mother, Tina; my sister, Simone, and her partner, Nadia; my first girlfriend, Annette; my Aunty Lynda; and my grandfather, the late Victor Baile. I have been blessed to have kept so many close friends from my Kapunda High School and Salisbury university days—Spike and Robbie, the Grafton and Bettison families, Susie, Lee and Brigid, Lisa J, Brett and, especially, Kirsten Andrews—all of whose friendship I treasure.

There are too many good people to thank from the South Australian Labor Party, because I have been given the great opportunities of being president of the state branch and a candidate for public office. I would not have enjoyed such opportunities were it not for the advice, support and friendship of Don Farrell, Tom Koutsantonis and Michael Brown. I would like to especially acknowledge Tony Piccolo, who is the state member for Light, Nimfa Farrell, Bernard Finnigan, Aemon Bourke, Zoe Bettison, Reggie Martin, Tung Ngo, Annette Hurley, John Quirke, Brad Kitshke, Chad Buchanen, Tom Kenyon, Stephen Mullighan, Mike Rann, Young Labor, the SDA, the CEPU and the Wakefield FEC for their hard work on my campaign. My final thanks have to go to my campaign manager, Peter Malinauskus, who was a driving force behind my campaign and a person who I think is destined to make a great contribution to the lives of retail workers and the Australian union movement.

The Prime Minister once told this House: We are all the product of our own experiences and the ideas with which we have been confronted. When I look at all the experiences in my life prior to my election to this place, nothing is as influential in my life’s trajectory as my father’s alcoholism. I loved my father but through his addiction I saw the fragility of family life, how precarious a family’s financial circumstances can become and how the emotional torment of addiction can echo through a family for years. Once addiction hits a family, nothing is ever the same again, and it is easy for families to fall into a cycle of crisis, reaction and, sometimes, despair. I know that, while many in politics talk about strong families, the reality is that many families are often as much defined by their weaknesses as they are by their strengths, so I am proud to be part of a government which takes the misuse of alcohol as a serious policy challenge.

There have, of course, been other defining experiences. I may well be the only supermarket trolley collector ever to enter this parliament and, at the very least, I am probably the first one to admit it. I have had many minimum-wage jobs in my youth—working on farms and at racecourses, picking grapes and apricots, cleaning offices and working in warehouses. But it was collecting trolleys for a contractor at the Burnside Shopping Centre in the early nineties that confirmed my views
about how conditions at work affect our society. I learnt about the reality of workplace negotiations. My boss was a nice person, but he would rob you blind if he got the chance! He paid the base award hourly rate but he never paid the penalty rates that were due in the award. I was conscious that, if you complained, your hours would drop or you would be moved to another site far away from your home. Although I was a member of the union and had campaigned against Sunday trading, like so many other workers I was not going to make my working life uncomfortable by directly confronting my employer.

That is the reality faced by so many workers in minimum-wage jobs—not much protection, not much bargaining power and not much choice. When I look back on it I regard myself as pretty lucky. I was lucky because, a few years later, trolley collectors lost what little award protection they had as a legal technicality was exploited by a new wave of ruthless employers. Wages fell as a result of competition between the companies for contracts and the weak bargaining position of workers. In the late nineties in South Australia it was not unusual to find trolley collectors working 60 or 70 hours a week for as little as $5 an hour.

It was these experiences that hardened my convictions regarding industrial relations and compelled me to be active in the Labor party and the union movement and, ultimately, stand for election in Wakefield. My experience as a trade union official taught me that the most important prerequisite for public office is empathy for others. Every time I went to a shop or a warehouse to represent workers, I learnt something new or met a person whose experiences were different from mine. This experience was excellent preparation for being a candidate.

As a candidate I spent a lot of time in what could best be described as ‘struggle suburbs’—places where poor urban amenity, high unemployment, fragile families and antisocial behaviour all intersect. These are communities that have to live every day with the consequences of substance abuse, poverty, mental illness and the growing digital divide. These are places where social problems have become intergenerational and interconnected. Whole communities have largely been locked out of the opportunities created by a growing economy. These communities are made up of many good people who make the best of their circumstances.

Some of the most disadvantaged areas in South Australia are in the electorate of Wakefield. It is important to acknowledge that many government decisions have either failed these communities or not served their interests. These communities paid the price for tariff reductions, the wrecking of the Housing Trust, the deregulation of the workforce and the often callous indifference of Centrelink. The greatest failure, though, is that, at a time when the economy is producing jobs, many cannot avail themselves of these opportunities because they have been out of work for so long that they do not have the skills, the support, the resources or the networks to participate. Once disadvantage is concentrated, it feeds on itself.

To his credit, my predecessor, David Fawcett, made the House aware of some of these problems in his maiden speech. I acknowledge Mr Fawcett’s contribution and note that he was held in high regard by many in the electorate. He had some success in convincing the previous government to fund a community audit in Playford North. It was the only real sign of interest by the former government in 11 long years, despite Playford North being an area targeted for a major urban renewal project by the City of Playford and the Rann government. This project has great potential to ameliorate disadvantage, and it is my hope that many of the govern-
ment’s policies in housing, skills and training will assist in that goal.

The government has already committed $7.5 million to build a GP superclinic in Playford North. This clinic will provide vital health services to an area in which there is high demand and it will attract new doctors and new services to an area in transition. My hope is that this clinic will be a practical demonstration of our commitment to this area. Urban renewal projects like Playford North provide an opportunity for governments, local councils and non-government organisations to prove that poverty and disadvantage can be diminished through investment, cooperation and a clear long-term commitment. These projects are the frontline of social inclusion and the elimination of poverty and extreme disadvantage.

When I doorknocked, nothing was more confronting than meeting elderly Australians who were reliant on the pension and had little savings. These people are good citizens. They have worked hard, raised families and built communities. They now count every cent in their budgets and there are few if any luxuries. Those in the private rental market are particularly vulnerable. Poverty amongst the elderly is a tragedy. It is only when you see the impact of this type of poverty that you realise how important compulsory superannuation is. Superannuation is the only cost-effective solution for government to prevent poverty in the retirement years. The introduction of occupational superannuation by the Hawke government is Labor’s greatest postwar economic and social achievement. It represented the triumph of decades of political and industrial struggle by the Labor movement.

The benefits of that struggle are obvious. Superannuation provides greater independence, financial security and dignity for those in retirement. It increases national savings in a world where capital is increasingly mobile and increasingly fickle. It has made us less reliant on foreign investment and, to some degree, it has allowed Australians to ‘buy back the farm’ and invest in their own country’s wealth-producing assets. Superannuation is a wealth multiplier and a major contributor to the success of the Australian economy over the last 15 years. Most importantly, superannuation redistributes wealth from capital to working families and individuals. It redistributes wealth at a time when people need it most—in their retirement years.

If our superannuation system has any fault it is that the contribution rate of nine per cent is too low to fund an adequate retirement for the average Australian employee. Labor’s platform sets out a goal of a 15 per cent contribution level and notes that government, individuals and employers all have a greater contribution to make in order to reach this important national objective. I believe we should consider what can be done to ensure even higher contribution rates for those on minimum wages and those who have significant periods outside the paid workforce. Higher contributions will increase national savings and underwrite another period of national economic growth. Higher contributions will ensure that the benefits of the mining boom are not squandered but instead invested and distributed more equally across the community. I believe it is vitally important that we have a long-term timetable for our superannuation system so that the community is given certainty about the additional contributions that will need to be made.

As a representative in a regional electorate, I have spent a fair amount of time in pubs meeting people—and having the odd drink. But one of the sobering observations I have made in my visits is that all the good works undertaken by governments to improve living standards can be undermined in
a very short period by one individual’s addiction to a machine. Electronic gaming machines are devices that many in the community misunderstand. The addictive nature of these machines is not immediately clear to the consumer, the community or their representatives. These machines are a riddle wrapped in an enigma for most of us. We do not know how they work or why our fellow citizens fall under their spell, so often we blame the victim and say it is a matter of individual choice or we stereotype the victim—it is just the poor, the old or the bored who are vulnerable. But treatment providers will tell you that they treat people from every walk of life—from surgeons to factory workers, young and old, with a variety of incomes and lifestyles. If you meet recovering addicts, you are struck by how normal they are, but their stories give an insight into how terrible their addiction is. In an information booklet from Pokies Anonymous, one woman, Debbie, recounts her experience:

Pokies hook you so quickly. They get into your head. The music is subliminal and comes back to you at any time of the day and all of a sudden you have the urge to play and head off in the direction of the closest machines. Anytime I lost $1800, I would go home and think of doing something to myself.

The Productivity Commission found that around 130,000 Australians have severe problems with gambling. Many of them are addicted to poker machines. Tragically, one in 10 have contemplated suicide because of their addiction. It is clear that the current regulations concerning electronic gaming machines are insufficient to protect the health of a minority of consumers. I believe that many of the design features of electronic gaming machines make addiction a natural consequence of their operation; that the frequency of winning—the reinforcement schedules—may tap into powerful psychological motivators of intermittent rewards; that the use of unbalanced reels gives some consumers a distorted view of how the game operates; that what consumers see on the screen does not accurately reflect the calculations of the computer inside the machine; that the illusion of the near miss combined with maximum line betting may encourage larger stakes and larger losses; and that the lights, sounds and music may complement the core design features and become associated with the stimulus to gamble.

The design of these machines should be regulated. The manufacturers should be required to reveal to the government their research on design and consumer response. Additional resources should be devoted to academic research into the structural features of these machines which may be addictive. With this information we will be better equipped to legislate for strict requirements on their design and manufacture to prevent problem gambling from occurring from the outset, to minimise the financial damage caused and to empower those addicted to kick their habit.

I began this speech by talking about my Labor predecessor, Sydney McHugh. As I said before, Mr McHugh spoke on many issues of contemporary relevance. In rather old-fashioned language, Mr McHugh stated this about his service in this House:

We come here to give service because we early caught the disease of endeavouring to render public services in some sphere and to leave the world better than we found it.

I hope my time here honours this sentiment and leaves the world and my electorate better than I found it.

Debate (on motion by Mr Windsor) adjourned.

60th ANNIVERSARY OF THE STATE OF ISRAEL

Mr Rudd (Griffith—Prime Minister) (11.58 am)—by leave—I move:
That the House:

(1) celebrate and commend the achievements of the State of Israel in the 60 years since its inception;

(2) remember with pride and honour the important role which Australia played in the establishment of the State of Israel as both a member state of the United Nations and as an influential voice in the introduction of Resolution 181 which facilitated Israel’s statehood, and as the country which proudly became the first to cast a vote in support of Israel’s creation;

(3) acknowledge the unique relationship which exists between Australia and Israel; a bond highlighted by our commitment to the rights and liberty of our citizens and encouragement of cultural diversity;

(4) commend the State of Israel’s commitment to democracy, the Rule of Law and pluralism;

(5) reiterate Australia’s commitment to Israel’s right to exist and our ongoing support to the peaceful establishment of a two-state solution to the Israeli-Palestinian issue;

(6) reiterate Australia’s commitment to the pursuit of peace and stability throughout the Middle East;

(7) on this, the 60th Anniversary of Independence of the State of Israel, pledge our friendship, commitment and enduring support to the people of Israel as we celebrate this important occasion together.

Today the parliament of Australia notes the occasion of this year, being the 60th anniversary of the establishment of the state of Israel. The story of the establishment of the state of Israel begins with the unimaginable tragedy of the Holocaust. At the Holocaust memorial at Yad Vashem in Jerusalem the words of the Australian delegate to the 1938 Evian Conference are recorded. He said that Australia could not encourage refugee immigration because, ‘as we have no real racial problem, we are not desirous of importing one’. Thankfully, later in 1938 the Australian government took the decision to admit 15,000 Jewish refugees from Nazi Germany. But by the time the war began only 6,500 had reached Australia.

By war’s end, six million Jews had been murdered. By war’s end, the international community finally began to look again in earnest at the question of a homeland for the Jewish people. Australia is proud to have played a significant part in the international process that led to the foundation of the state of Israel. Australia’s then Minister for External Affairs, Dr Evatt, was part of the United Nations Special Committee on Palestine, which recommended in August 1947 the termination of the Mandate for Palestine. And he was chairman of the Ad Hoc Committee meeting on the Palestinian Question that proposed the partition of Palestine. He strongly believed that the fundamental right of self-determination for the Jewish people and for Palestinians could only be achieved by each having their own state. The resolution that the United Nations adopted in November 1947 reflected that. It proposed the establishment of two independent states—one Arab and one Jewish. And Australia was the first state in the historic vote of the international community on that resolution to cast its vote in support of the modern state of Israel. On 14 May 1948 David Ben-Gurion declared the foundation of the modern state of Israel.

Prime Minister Ben Chifley, too, was closely involved in Australia’s policy towards Israel. In June 1948 he reinforced Evatt’s strong support for a two-state solution when he cabled British Prime Minister Clement Attlee and urged early recognition of Israel, saying that:

Such [a] declaration would properly indicate willingness to agree in principle to the recognition of the Provisional Government of Israel, and at the same time willingness to recognise de facto the Arab authorities in actual control of Arab Sections of Palestine.
On 29 January 1949 he announced that Australia would become one of the first countries to recognise the new state of Israel, describing it as ‘a force of special value in the world community’. As President of the General Assembly ‘Doc’ Evatt then presided over the historic May 1949 vote admitting Israel as the 59th member of the United Nations. On 11 May 1949 the Chifley Labor government opened an embassy in Tel Aviv. Evatt later said that, when working on the question of Israel, he wanted to ensure that the ‘new State of Israel, whose people had in the past done so much for humanity, would be welcomed, not merely formally but with good heart and good conscience’ into the international community.

The 60 years since the establishment of Israel have been full of challenges and full of trials. Similarly, the process for the emergence of a Palestinian state has come along a torturous path. There has been too much bloodshed. But over those 60 years there has also been cause for hope.

We think today of Prime Minister Menachem Begin standing with President Jimmy Carter and Egypt’s President Anwar Sadat at the White House on March 26 1979 at the signing of the Israel-Egypt Peace Treaty that followed from the Camp David Accords. Prime Minister Begin used both the Hebrew and Arabic words for peace when he urged: ‘No more war, no more bloodshed, no more bereavement. Peace unto you. Shalom, salaam, forever.’ We can think, too, of Prime Minister Yitzhak Rabin, shaking hands with his lifelong enemy Yasser Arafat on the lawns of the White House on September 13 1993, saying:

We, the soldiers who have returned from battles stained with blood; we who have seen our relatives and friends killed before our eyes; we who have attended their funerals and cannot look in the eyes of their parents; we who have come from a land where parents bury their children; we who have fought against you, the Palestinians—we say to you, in a loud and clear voice, enough of blood and tears. Enough! All peoples of goodwill yearn for that vision to be realised. It has not been realised yet. To borrow again from former Yitzhak Rabin, a man who tragically paid the ultimate price while pursuing peace: ‘The risks of peace are preferable by far to the grim certainties of war.’

We firmly believe the establishment of an independent and economically viable Palestinian state must remain a key objective in the Middle East peace process. This is important for the future. It was important in the vision of 1947. It remains the vision today, just as our objective must be for Israel to exist within secure and internationally recognised boundaries.

Today, we in Australia support the ongoing negotiations between Israel and the Palestinian Authority towards a final status agreement by the end of 2008, as launched at the Annapolis Conference in November last year. To support the establishment of a viable and sustainable Palestinian state Australia pledged a $45 million assistance package at the donors conference for the Palestinian territories in Paris on 18 December. Australia remains, as we have in the past, committed to an effective two-state solution.

Over the past 60 years Israel has preserved its robust parliamentary democracy and has built a vibrant society and economy. If anyone wants a dictionary definition of the term ‘robust’ they should spend an afternoon in the Israeli Knesset. That is where you see the definition of ‘robust’ at work. By contrast we are a pack of pussycats in here!

Over the past 60 years governments from both sides of politics in Australia have supported our strong relationship with Israel. That relationship is strong and it is deep—and it will remain so. Because we are both
democracies, as democracies sometimes we will agree and sometimes we will disagree. That is in the nature of strong relationships. But the underlying friendship between us does not alter.

Australia offers our congratulations to the government and people of Israel on this the 60th anniversary of the establishment of the modern Israeli state. We acknowledge our special history and relationship and we look forward to its continued strength and development into the future.

I commend this motion to the House.

Dr NELSON (Bradfield—Leader of the Opposition) (12.06 pm)—I rise on behalf of the alternative government to provide our very strong support for this motion and to support the remarks on the historical circumstances of the development of the state of Israel, the role that Australia played in that, the relationship between our two countries, the initiatives that are being taken by the current Australian government and indeed those taken by the most recent government to further the peace process between Israel and the Palestinians.

Jewish identity over the last 100 years has been shaped by three things. The first is anti-Semitism, which remains a virulent and repugnant force still in far too many parts of the world and in the dark recesses of some people’s hearts. The second is the holocaust, which saw the systematic extermination of more than six million Jews through the course of the Second World War. The third is the continued threats to the very existence of the state of Israel, which is constantly embattled and, every single day, every week and every year, needs to struggle to defend its very existence.

In a region of the world that is characterised more by theocracies and autocracies, the state of Israel is the custodian of the most fragile yet powerful of human emotions, and that is hopeful belief in the freedom of man, freedom of speech, freedom of religion and freedom of assembly. There are many things for which Israel stands and which characterise the modern state of Israel, but included amongst them is the celebration of knowledge for its own sake and knowledge as the driver of economic development and emancipation from human poverty. Israel also stands for personal independence, a free parliament and an independent judiciary. It is a nation where Christians, Baha’is, Muslims and Arabs enjoy equal rights. Israel, like all democracies, is far from perfect, but it is, in every sense of the word, on the front line of the struggle for the things that we hold dear, not only as Australians and free people but as human beings. And it is far too frequently on the front line of the struggle against all the things that are repugnant to universal human ideals.

On 14 May 1948, the day that the British mandate expired, the Jewish People’s Council gathered at Tel Aviv Museum and approved the Declaration of Independence of the State of Israel. It read, in part:

THE STATE OF ISRAEL will be open for Jewish immigration and for the Ingathering of the Exiles; it will foster the development of the country for the benefit of all its inhabitants; it will be based on freedom, justice and peace as envisaged by the prophets of Israel; it will ensure complete equality of social and political rights to all its inhabitants irrespective of religion, race or sex; it will guarantee freedom of religion, conscience, language, education and culture; it will safeguard the Holy Places of all religions; and it will be faithful to the principles of the Charter of the United Nations.

Israel is home to many things that are spiritual, but it is home in the end to the human spirit of resilience, of confidence, of determination and of respect for one another irrespective of political, religious or other affiliations. It is a land that boasts many ancient buildings, but its people are firmly fo-
cused on building the future. That it is difficult to achieve a peaceful resolution to the tensions surrounding Israel’s existence should only strengthen our resolve to reach out not only to Israel but also to Palestinians of good heart who genuinely seek and should achieve a two-state solution. No Australian who believes in the dignity of man, in freedom and in democratic principles should ever, through neglectful indifference, allow Israel to be a stranger. To do so would be to diminish ourselves and our own true security.

To any Australian who has not done so already and who has the privilege and the opportunity to visit Washington: I urge you to visit the Holocaust Memorial Museum. There is a very large sign out the front of the museum that says: ‘Never forget what you have seen here.’ There are piles of shoes that were worn by Jews exterminated, photographs of men and women and children looking out into lives that were never lived, and many other things to remind us of why our relationship with Israel and our respect for the Israeli cause and the two-state solution is so important to our own beliefs, our own values and ultimately our own freedoms and security. Shabbat shalom forever.

Question agreed to.

GOVERNOR-GENERAL’S SPEECH
Address-in-Reply

Debate resumed.

Mr WINDSOR (New England) (12.13 pm)—I thank the gallery for that warm welcome. It is not normal that we get so many people in here listening to the address-in-reply to the Governor-General’s speech!

The SPEAKER—I wouldn’t get too excited, Member for New England.

Mr WINDSOR—There are a number of issues that I would like to raise in relation to the Governor-General’s address. The first one that I would like to raise is the comments the Governor-General made about climate change. Obviously the incoming government have put climate change very close to the top of the agenda in many of the ministerial portfolios that they believe will be impacted.

The particular portfolio that I would like to spend a little bit of time mentioning in relation to climate change is the farm sector. I think it was ignored, essentially, by the previous government. The carbon task force that was set up by John Howard did not include the farm sector and did not see a role for the farm sector in terms of the debate on emissions and carbon, et cetera. I was very pleased the other day to hear the Prime Minister, after discussions at ABARE in the Outlook Conference, announce that he was going to fund the carrying out—and I believe the Minister for Agriculture, Fisheries and Forestry may well have carriage of this—of some research into the contribution that soil science can make in relation to the natural sequestration of carbon in the soil. I have raised this issue on a number of occasions and I have actually put a document to every member of parliament. I would urge them to read that document, Mr Deputy Speaker Schultz—and it is good to see you in the chair. I would urge them to read that document because I think there are a number of questions raised in it that should encourage the Prime Minister, the minister for agriculture and other members of the government to get more involved in researching this issue.

The Prime Minister made the point the other day that there are some difficulties in measuring carbon in organic matter, humus, in the soil and in maintaining a measurement over time. Such difficulties may well be there, though there are carbon trades taking place in the United States as we speak—so someone has some measuring device that has overcome or may potentially have overcome the concerns that some have expressed. What that means to me—and should mean to all of...
is that research is required to find out what the problems are with measurement, to find out what the problems are with sequestration of carbon and to find out what sort of soil management practices could be involved in making some of our soils a natural sink for carbon. Australian soils are very poor in terms of humus and organic matter in the main, but some of our soils are not. And early research indicates that, where various management practices such as conservation tillage practices and a variety of pasture management practices are used, there is a natural accumulation of carbon in the soil.

As I said earlier, I think there is a need to do much more research, and I congratulate the Prime Minister for taking that step forward. There will be naysayers in some of the scientific groups, because some people have looked at carbon in the past. But they have not looked at it in terms of this debate that we are having today, in terms of climate change, the warming of the climate, the polar meltdown—those sorts of issues. And I do not think they have looked closely enough at it in terms of issues of soil health and viability in relation to agriculture.

I know that you, Mr Deputy Speaker Schultz, having been an excellent chairman of the previous agriculture committee, would be well aware of the way in which conservation tillage practices have added to the availability of soil moisture and have created a better microclimate for plant growth. That in itself, in my lifetime as a farmer, has probably been the biggest adaptation to climate change of any technology in the farm sector. On those better soils, in Australia, that one change in terms of management practice has realised the equivalent of six to eight inches more rainfall in terms of availability of water to the crop. That is an enormous adaptation to climate change. There may well be other value we could get from the natural accumulation of humus and organic matter in soils that could be of relevance to the carbon debate. So I would encourage the government to look very closely at that, and to examine the potential in agriculture to assist soils to become a natural carbon sink.

The other issue I would like to raise, particularly in relation to the electorate of New England and the community of Tamworth, is the upgrade of the Chaffey Dam. Most members were very concerned during last year that Tamworth was nearly running out of water. It had the potential to actually run out of water. It has rained since then and those particular problems have gone away for the moment. There are other communities across Australia that are experiencing similar sorts of problems. It is proposed by the New South Wales government to have an upgrade of Chaffey Dam for safety reasons. It is a relatively small dam of 60 gigalitres. There is a further proposal—again, supported by the New South Wales government, by the local council and by the community—to have, while that safety upgrade is taking place, an augmentation of the dam to 100 gigalitres of storage, so that the city will not face that problem again of potentially running out of water. I recently met with the Minister for Climate Change and Water, Penny Wong, and we discussed this issue and a couple of other issues pertinent to my electorate. I am pleased to say that she is having a good look at those particular issues as we speak.

I turn now to another issue of concern to my electorate. I mentioned earlier the region’s black soil and how it can accumulate, through better management practices, soil moisture equivalent to six to eight inches of extra rainfall by a change in technology. Yet the black soil in the Liverpool Plains that they talk about is under potential threat from coal mining. The residents and the community have asked—and I have also met with the minister for climate change, Penny Wong, on this issue—for a study of the im-
impact of coal mining in those areas on the groundwater systems below those areas.

There is no research in the world that has been adequately carried out on similar systems on the relationship between a very flat topsoil, long-wall mining, which relies on a slump factor in terms of the mining process, and massive groundwater systems that are not only interlinked—and we do not fully understand the nature of the interconnectivity issues—but also linked to the river system, which, in this case, is the Murray-Darling system. So I asked the minister some weeks ago to look at that particular issue and I am pleased that, just in the last week, there has been an announcement of funding of something like $7.5 million for three groundwater research studies. One of those is very pertinent to this particular issue in its broad nature. The government and the minister are going to be looking at coal mining and the various planning practices of coal mining in an area where there are massive groundwater reserves, and that interconnectivity issue that I raised a moment ago. So I think that is a very important first step.

The people on the Liverpool Plains had requested a study—and a lot of politics were played on this by the previous minister for environment prior to the election—into the nature of the specific mine, as proposed by BHP on the Liverpool Plains, and the impact it would have on the groundwater systems. I am told that the minister’s office and the department are still considering that request. The great difficulty with this issue is that we have a state based planning process. A coal miner proposes an exploration area, an assessment is made and that is yea-ed or nayed by the state government of the day. There is no real capacity in that planning process to significantly measure or assess the downstream impacts on other groundwater systems, as in this case. The state based planning process says that if you can carry out an EIS and maintain the damage within that particular area, or just buy the soil and destroy it, then that will make it pass the test. I am pleased that for the first time the Commonwealth government has involved itself in this issue. I know it is a start to look at the broadbased issue of mining and its relationship with groundwater and catchment systems. It is the first time, to my knowledge, that the Commonwealth government has come in on what is essentially a state based planning process, and that is a good start. It is not a finish, but it is a good start.

The wheat debate is an issue that I would like to touch on, and I notice the government has proposed a multiple licensing arrangement for surplus export wheat to go out of Australia. I do not know where this proposal has come from. Apparently it was an election promise but nobody seems to know who invented it. The shadow minister at the time is not the minister at this time, and no-one seems to know who presented the argument. Polls that were done would indicate that 11 per cent of grain growers were looking at the multilicensing arrangement model and that by far the majority wanted some sort of single desk structure. I inform the House of two things. I intend to carry out a poll of the 24,000 wheat growers to ask them what they want. We have a lot of people in here that seem to have great knowledge of what is good for them. But it is their industry and I intend to carry out a poll, as I did last year. In that poll 82 per cent of them, irrespective of which state they were in, indicated that they did not want a multiple licensing arrangement, as proposed by the then government.

When the now Prime Minister was in my electorate about two years ago, as shadow minister for trade and foreign affairs, I organised a meeting with wheat growers. He was very good to them and listened to what they had to say. They were very impressed. But the now Prime Minister made a state-
ment at that meeting where he said that, in his view, the Howard government should carry out a poll of all registered wheat growers prior to making a decision on the export wheat marketing arrangements. I agreed with him and I still agree with the statement he made at that time. To have brought this bill into this chamber without proper reflection with the wheat growers themselves, I think, is an insult to those people. It was quite clear, through the John Ralph circus—for want of a better word—that went on around Australia last year and the various polls that were done, that this type of marketing arrangement was not welcomed by the majority of wheat growers. That might have changed, so I am going to carry out a survey. It would be a lot easier if the minister or the Prime Minister did this, but I am going to carry out a service for them if they are not prepared to do it. I will ask the Australian wheat industry: what does it think of this proposal? Has it changed its mind on what it thought last year, when the various options were put forward? I will present that survey to the parliament. The draft legislation that is out there now only allows a month for the industry to be consulted and I do not think that is enough.

If the government are hell bent on going down this track—and they may have some very good reasons for doing it this way but just have not told anybody yet—I would urge them not to rush. Given the nature of the Senate, given the nature of the wheat crop that is coming up—which is potentially the largest in Australian history, when international prices are the highest that we have ever seen—and given that we are just coming out of a massive drought and this is the crop that could save a lot of our wheat growers in a financial sense, this is not the time to have a barrage of licensed grain merchants who will, if this legislation is passed as is, have access to the storage at the ports. There is no guarantee that this will get through the Senate. There is all of this uncertainty in this potentially big wheat year. The wheat crop will be in the ground when the changeover is to take place. We will not even know what sort of marketing arrangement will be in place.

I implore the Prime Minister to forget about the politics of this—and to forget about the divide between the Nationals and the Liberals and all the little games that will be played in the Senate—and to think about the wheat grower. This is not the time to proceed with something that is so complicated. You have that extra complicating factor in New South Wales, where there are no trains. Pacific National has said that it will not cart wheat any more. You are going to have a multiplicity of grain merchants all competing for a train network, which is not there at the moment, to get the surplus grain to the port and then there will be a barney about who has preferred access to storage at the port. There are a whole range of potential segregation issues. This is too important an issue to rush. As I said, I will be conducting a poll of all growers.

I will be talking about tax cuts at a later date. I would urge the government to renege on that election promise, given the inflationary and interest rate effects. When that legislation comes to a vote in the House, I will be asking that my vote be recorded against it because I think it is quite a dangerous pursuit at this particular time in the economic cycle.

I have other issues that I would raise in terms of infrastructure in the New England electorate. The first is the Ardglen tunnel. Half of the freight in eastern Australia goes through the Hunter and the north-west—110 million tonnes out of 220 million tonnes in eastern Australia. The Ardglen tunnel is and will, when the third coal loader comes on at Newcastle, be a real bottleneck in terms of
produce to port. I would urge the new government to have a serious look at that issue, particularly with the advent of more coal mines north of the Murrurundi Range.

Money is required for the Tenterfield bypass study. That is a very important study. There will be deaths in the main street of Tenterfield if something is not done. It is a very narrow street, sloping at both ends, and heavy transport still goes along it. It is something that needs to be progressed. The former government ignored it and I hope this government does not do the same. Bolivia Hill, south of Tenterfield, is another very important area that needs to be upgraded. I was pleased to see the Minister for Agriculture, Fisheries and Forestry defer the horse levy arrangements. That legislation effectively puts the cart before the horse, making a determination that horse owners should pay for something that may well have been caused by someone else. Obviously, the legislation should be not brought into this place until the Callinan inquiry takes place.

In conclusion, I implore the Minister for Health and Ageing to meet with a constituent from the north-west, not in my electorate. She is a very devoted advocate of cancer treatment in terms of low-dose radiation and radio wave therapy. I would implore the minister for health to actually meet with Mrs Jenny Barlow. Mrs Barlow lost her husband to cancer a few years ago. She has been working with this technique that is used in various parts of the world. Mrs Barlow has proposed to build a clinic in Sydney where this procedure that has been taking place in many parts of the world can take place. She is asking this government, and she asked the former government and they ignored her, to put in place some facilities to assess how this clinic works. She is not asking for money to build the clinic or to conduct the research—just to have health people there to measure the adequacy of the procedure. Mrs Barlow will be in the House next week and I would ask the minister for health to spare some time to at least speak with her. (Time expired)

Debate (on motion by Mr Murphy) adjourned.

TAX LAWS AMENDMENT (PERSONAL INCOME TAX REDUCTION) BILL 2008 Second Reading

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

That this bill be now read a second time.

Mr TURNBULL (Wentworth) (12.33 pm)—Even before coming to office, Labor sought to rewrite our recent economic history. The reality is that the Labor Party, the new government, has inherited an economy that is the envy of most other developed countries, aptly described by the Economist as ‘the wonder down under’. We were able to achieve, thanks to the sound economic management of the Howard government, high economic growth, record lows in unemployment, inflation managed on average within the target band of two to three per cent, growing labour force participation and growing wealth. Real wages grew over the years of the Howard government by more than 22 per cent, whereas in fact in real terms they declined during the 13 years of the last Labor government.

Labor’s spin, or its addiction to spin, is not surprising. The Prime Minister’s MySpace website lists his favourite authors, and they are Robert Ludlum, Manning Clark and, most ominously, George Orwell. This bill is yet another brick in Labor’s Orwellian wall. The facts are that the Prime Minister opposed the coalition’s 2005 tax cuts. In 1999, he described the most significant tax reform since the Second World War, A New Tax System, with its centrepiece the GST, as a fundamental injustice and the date of its
introduction as ‘Fundamental Injustice Day’. Labor have no vision for Australia’s tax system. They copied most of their policy from the coalition. If it was not for the coalition, we would not even be discussing tax cuts today. Labor now appear to have backed off granting any future tax cuts if or when revenue comes in at higher levels than anticipated.

The fact is that the Prime Minister and the Treasurer do not trust Australians with their own money and they would prefer to keep it stashed away in a Labor slush fund instead of returning it to Australian taxpayers. In his speech in Perth on 21 January this year, the Prime Minister said:

For over a decade, the past Government did not put forward a strategic vision for the tax system. But on 19 September last year, when asked to name the tax rates and thresholds that applied to personal income, he said:

Well as of July 1, if you went through the four thresholds, I think the high threshold kicks in, I think at $175,000, and then I think it cascades down, down the spectrum.

Of course, no threshold of $175,000 exists. The top threshold rose to $150,000 on 1 July 2007. The Prime Minister, true to his MySpace website, has taken George Orwell’s slogan ‘Ignorance is strength’ very much to heart. Less than six months ago the man who is now our Prime Minister could not name a single rate or a single threshold in our personal income tax system. The one threshold he did name did not exist. All he could name was a brand of beer—Cascade. But ‘Mr Cascade’ happily claims that the coalition did not put forward a strategic vision for the tax system. How will Labor’s 81 bureaucracies and 119 reviews be able to make the tax system less complex, less costly and more efficient if the Prime Minister himself is completely ignorant of our system’s basic fiscal nuts and bolts? Who will tell the bureaucrats what to do? The Prime Minister, speaking last year, did not even know what the current tax system looks like. How on earth could he reform it?

Mr Perrett—Things change.

Mr Turnbull—The member opposite says that things change. We hope they do. We all live in hope but so far we are not getting much realisation on that hope and neither is he, of course. Moving on to the Treasurer, in the Sydney Morning Herald on 1 September 2007 Mr Swan was quoted as saying:

No one knew what an effective marginal tax rate was in this country until I came along. The concept of an effective marginal tax rate—the rate at which the last dollar of welfare benefits is clawed back from an individual or family as their income increases—has been around for years. In fact, former Senator Peter Walsh discussed them as far back as 1981. The Treasurer’s self-proclaimed invention of EMTRs was so significant that his official parliamentary biography does not even mention them, and he did not mention them in his second reading speech on this bill. Is he the Al Gore of Australian politics? Al Gore is alleged to have claimed, famously, that he invented the internet. Here we have the Treasurer claiming that he invented the concept of effective marginal tax rates and yet he does not seem to talk about them. This boast of September last year may just have been a one-off moment of self-delusion.

Instead, we have a Treasurer who seems to be stuck in his own rather odd episode of I Dream of Jeannie, with his inflation genie and the bottle. He sits over there every day in question time nervously rubbing the bottle, and the day before the Reserve Bank of Australia board meets he announces on national television that the genie has popped out. That is a really constructive contribution to an
economy facing an inflation challenge! We have a Treasurer who sets out to exacerbate inflationary expectations. We have a Reserve Bank endeavouring to manage inflationary expectations and we have a Treasurer who stands up the day before the meeting and says, ‘The inflation genie is out of the bottle.’

Let us consider the genie. What does the Treasurer ask his genie for? Well, he has asked him for an industrial relations reform—a rollback of industrial relations laws—that magically will not fuel inflation. Contrary to every accepted principle of labour market economics, the Treasurer hopes his genie will deliver a re-regulation of the labour market that will not fuel wage inflation. He has asked for a petrol bureaucrat who is supposed to keep petrol prices low and he has asked for a huge budget surplus— I think he is going to get that—which Labor can hoard and use for political purposes before the next election and which is magically supposed to make us better off by denying Australians their own taxes. He is denying them those funds that are in addition to what the government needs to spend. Finally, he asks the genie for a five-point plan—or, I should say, a five-point sham—which is supposed to reduce inflation, even though it is perfectly plain that not one element in the five-point plan will have any impact on inflation in the short or medium term, which is when inflation is a challenge for our economy.

Labor is a policy-free zone on tax. After 11½ years in opposition it does not have a coherent, or indeed any, tax policy. As far as we know, the Prime Minister does not know what the current tax system looks like. He may well have worked out a bit more about it—he may well have brushed up on his thresholds and rates—but he has shown no sign of it. And the current Treasurer appears to be suffering from delusions of grandeur. In his second reading speech on this bill the Treasurer said:

The amendments contained in this bill will cut personal income tax for all Australian taxpayers from 1 July 2008, and implement important taxation reforms that have been long championed by the newly elected government.

Really? On the very first Monday of the 2007 election campaign—15 October—John Howard and Peter Costello announced a $31 billion program of tax cuts. It caught Labor completely by surprise. Remember that, less than a month before, the now Prime Minister, Mr Cascade, could not name a single tax rate or threshold. But what happened next? The prime ministerial debate was scheduled for the Sunday and Mr Rudd, the then opposition leader, could not debate Prime Minister Howard without a tax policy. So, true to form, he faked it and it came to pass that Labor copied 92 per cent of the coalition’s policy, and this is what is before the House today. I suppose former Prime Minister Howard and former Treasurer Costello should be gratified—after all, it is truly said that plagiarism is the sincerest form of flattery.

The coalition’s ‘strategically visionless’ policy, to quote Mr Rudd, was apparently good enough for Labor to plagiarise. Just think about this: here we have a Prime Minister who said in January of this year that, throughout the 11½ years of the Howard government, there was no strategic vision for tax reform, yet the largest, most comprehensive and far-reaching tax reform of our generation—A New Tax System—was one he opposed and described as an example of ‘fundamental injustice’. ‘No vision’, he said. It was the biggest tax reform of our generation.

Then, when we came to the election campaign, Labor had no tax policy at all—none at all—until 15 October, when John Howard and Peter Costello announced our tax policy.
Then immediately, far from criticising it, far from putting up an alternative, they embraced it—92 per cent of it. Australians are not mugs. They will not forget that we would not be discussing these tax cuts today if it was not for the coalition. They will not forget that the coalition cut taxes every year since 2003. They will not forget that the Labor Party, including the man who is now the Prime Minister, voted against the tax cuts in 2005. They will not forget and we will not let them forget that Labor has now walked away from the idea of future tax cuts and has stated that it will hoard any additional revenues in Mr Swan’s slush fund.

Unlike those who sit opposite, we on this side have always believed that, in a free society, economic wealth and prosperity is generated by the Australian people, not by the government. In a free society, individuals create wealth and pursue happiness by working, taking risks and exchanging the fruits of their own labour and entrepreneurial effort with others by trade. That is what good economic management means: allowing individuals maximum freedom to generate wealth for themselves, their families and their community in order to save for retirement, to save for a house deposit, to spend on their children’s education, to donate to charities and so on. Freedom is the underpinning principle of our political philosophy. There is an important moral justification for cutting taxes: it allows individuals to keep more of their own earnings and gives them more freedom to do what they want to fulfil their ambitions with the money they have earned.

The Treasurer needs to come to grips with this moral argument. How can he rule out further cuts in income taxes when revenues come in higher than expected? Instead he wants to hoard that extra revenue in a government slush fund. How will that be invested? What market will that be invested on? Do we really trust Wayne Swan to invest our savings—really? The honourable member over there is nodding his head. We will see if they want to give their superannuation to Wayne Swan. I doubt it; I very much doubt it!

The DEPUTY SPEAKER (Mr S Sidebottom)—I would remind the member for Wentworth to use the seat name or portfolio when referring to a member.

Mr TURNBULL—Thank you. Why does the Treasurer believe that the government is entitled to hoard people’s tax revenues indefinitely? How is that morally justifiable? The federal government has no net debt; many Australian households are burdened with many debts. If they were to get tax relief, as they will from this bill, they could use that to reduce their own indebtedness. At some point the government has to tell us why, after Australian taxpayers have paid off all of Labor’s debt, taxpayers cannot be trusted to wisely spend the money that they have earned.

The Treasurer says that this bill will provide more than $30 billion of benefits to taxpayers over the period to 2010-11, but this number significantly underestimates the true economic benefits that income tax cuts will provide, because there are additional supply-side effects that will benefit the entire economy. The Treasurer mentioned some of these, but he does not appear to understand them. Taxes should be designed so as to minimise economic waste. Even if the tax system is simple, easy to comply with and easy to administer, it still has economic costs. The dead-weight cost of taxation is the wealth that is destroyed when high taxes create disincentives and force economic resources to flow to lower valued uses. It does not include administrative costs or compliance costs.
The great philosopher and economist Adam Smith understood this very well hundreds of years ago. He wrote that a tax:

… may obstruct the industry of the people, and discourage them from applying to certain branches of business which might give maintenance and unemployment to great multitudes. While it obliges the people to pay, it may thus diminish, or perhaps destroy, some of the funds which might enable them more easily to do so.

The Treasurer hinted at these costs when he talked of the effect of tax cuts on participation rates and working hours, but these things are not desirable ends in and of themselves. They are desirable only because individuals will now choose to do those things as a result of lower taxes, because they judge the costs of working longer to be less than the benefits of higher wages. In other words, lowering marginal tax rates induces individuals to use their freedom to make better choices according to their own assessment of costs and benefits, not because the Treasurer says so. This is what we mean by a more efficient allocation of economic resources. Individuals acting as free men and women make better choices. It is the key to understanding the economic and moral desirability of lower taxes.

If the Treasurer really understood this, he would have realised that lowering taxes has other positive effects. High tax rates encourage workers to lower their work intensity, to pursue do-it-yourself employment, to engage in home production for barter exchange, to devote more time to on-the-job leisure and to substitute activities or occupations with significant non-wage benefits. High tax rates discourage overtime work. In other words, high personal tax rates reduce the incentive to do anything that earns taxable income. That is another reason why the coalition supports tax cuts: cutting taxes improves individual incentives.

Nobel laureate Professor Ed Prescott illustrates this principle perfectly when he asks in a recent paper: ‘Why do Americans work so much harder than Europeans?’ Professor Prescott finds that Americans now work 50 per cent more than do the Germans, French and Italians, but this was not the case in the early 1970s. He shows that Europe’s high marginal tax rates account for almost all of the differences in labour supply over this period. There are literally dozens of studies that show that lower marginal income tax rates have positive supply-side effects. The Treasurer even cited similar research from his own department. So, if the Treasurer is so sure that tax cuts have such positive effects on individual incentives, why would he rule out additional tax cuts in the future if tax revenues are higher than expected? Doesn’t he trust his own department’s analysis?

Going forward, flattening the tax structure, lowering rates and having a broader base are a highly desirable goal for tax policy. It means that Australians will keep more of their own earnings and it will improve individual incentives. That improves our prospects for further sustained economic growth. So of course the coalition supports these tax cuts. This bill, as I said earlier, comprises 92 per cent of our tax policy for the last election. The question for Labor is: where to from here? Labor implicitly acknowledged that rates were too high when they plagiarised the coalition’s election tax plan. Mr Swan also explicitly stated that flattening the income tax structure is a good idea. If the tax cuts in this bill will not, as the Treasurer says, put upward pressure on inflation, why is it not the case that future tax cuts will not put upward pressure on inflation? The government’s tax policy has no coherence. When will the government present a coherent tax policy? Will they wait once again until just before the next election, and copy the coalition’s tax policy?
Mr PERRETT (Moreton) (12.57 pm)—I rise in support of the bill before the House. The Tax Laws Amendment (Personal Income Tax Reduction) Bill 2008 could not come at a more crucial time for Australian working families. This month’s Reserve Bank interest rate rise has pushed more than one million families into mortgage stress and, sadly, many thousands into mortgage crisis. In my electorate, people in the mortgage belt suburbs like Moorooka, where I live, Salisbury and Eight Mile Plains are doing it tough. This 12th successive rate rise has taken the official cash rate to 7.25 per cent, the highest rate since December 1994—and a quarter of a per cent higher than the opposition leader’s approval rating, apparently.

Families are also contending with record world oil prices and rising grocery prices. Many people are asking: when will it all end? Many families are also rightly feeling let down and ripped off by the Howard–Costello government, who duplicitously painted a very different picture of the Australian economy. Remember the assessment by the former leader that ‘working families have never been better off’? Thankfully, the Rudd government is not about looking at the economy through rose-coloured glasses or even those big yellow glasses that Corey wore, the ‘keep on partying’ glasses that seemed to be embraced by those opposite—that idea of ‘keep on partying and leave the mess for somebody else to clean up’. It is important to consider the bill before us in the current economic context—that is the reality, not the Howard spin.

I would like to revisit the economy we inherited from the former member for Bennelong and the current part-time member for Higgins. Firstly, Treasurer Swan was handed an economy experiencing 16-year-high inflation levels. Secondly, interest rates had risen 10 times in a row and were the second highest in the developed world. Thirdly, productivity growth was running at its lowest level in 15 years. All serious students of economics know that productivity is the most important measure of the health of our economy. Yet what was the Rudd government handed? Was it anything like the gift handed to John Howard and the member for Higgins when they took office after the major reforms of the 1980s and 1990s? No—nothing like that. In fact, the productivity level was for them at four per cent.

Yes, after all the great reforms that caused hardship for the community, on 2 March 1996 the productivity level was at four per cent. No, we were not handed anything like that. Instead, we have had pathetically low levels of productivity for way too long, while the former government focused on its misguided, destructive union-busting agenda. Fourthly, the Commonwealth’s spending in real terms had grown around four per cent a year from 2004-05, and recently it spiked at over 4½ per cent. Lastly, Howard and Costello had overseen 5½ years of monthly trade deficits—it is hard to believe—22 quarters in a row. This is the longest sequence in Australia’s recorded economic history. The member for Higgins must be very proud of that part of his legacy. It will look very good on his CV.

It is in this context that we debate the bill before us. These five fumbles, these five incontrovertible facts— inflation, interest rates, low productivity, government spending and trade deficits—should be hung around the necks of those opposite like a dead albatross. Maybe I should look into buying every member of the former government a copy of Coleridge’s Rime of the Ancient Mariner. This fumbling legacy means that Australian working families, just to make ends meet, are working harder and longer than ever before.
The previous speaker, the member for Wentworth, accused Treasurer Swan of delusions of grandeur. I think that history will judge the member for Higgins as having had delusions of adequacy in his handing on such a shocking economic record to the Rudd government. Now more than ever, hardworking Australians need and deserve a fair go. The bill before the House delivers on the key Labor election commitment to slash personal income tax rates from 1 July 2008. It will go some way towards taking the pressure off Australian families. As I said, now more than ever, in my electorate people are saying, ‘We need some assistance.’

This bill will amend the Income Tax Rates Act 1986 to increase the threshold for the 30c rate from $30,000 to $37,000 and to reduce the existing 40c rate to 37c by 2010-11. This will mean that people with incomes of up to $180,000 will pay tax at 37c in the dollar. The bill will also significantly increase the value of the low-income tax offset from $1,350 to $1,500 from 1 July 2010. This will mean that an individual earning up to $16,000 will not incur a tax liability. This is a great saving for those individuals and for the Australian taxation system.

The tax cuts will deliver a fairer tax system for Australia and provide significant relief to low- and middle-income earners. For example, once the measures contained in the bill are fully implemented, an income earner on $40,000 a year will receive a 29 per cent reduction in tax paid and a 5.3 per cent increase in disposable income. This is a 5.3 per increase in disposable income at a time when people are really doing it tough at the bowlers, in the shops when buying their groceries and also with mortgage stress.

A modern Australia needs responsible economic management, not partying and the hope that someone else will clean up the mess. It is significant, therefore, that the taxation measures proposed in this bill are not being introduced in isolation. Instead they are part of suite of reforms designed to address pressures in the Australian economy—pressures that, unfortunately, were ignored time and time again by the Howard-Costello government. To this end, I commend the Prime Minister’s and the Treasurer’s fabulous five-point plan to stimulate productivity, address labour shortages and drive down inflation.

Our five-point plan includes: firstly, a budget surplus of 1.5 per cent of Australia’s gross domestic product—around $18 billion; secondly, incentives to encourage household savings, which, to the everlasting shame of the previous government, have declined significantly over the last 12 years; thirdly, a new agency called Skills Australia to drive an additional 820,000 training places over 10 years, with 20,000 places to be created around the country from April this year; fourthly, the provision of fair dinkum national leadership to tackle infrastructure bottlenecks; and, fifthly, incentives to help people re-enter the workforce.

In summary, this fabulous five-point plan includes: (1) budget surplus (2) household savings (3) training places (4) tackling infrastructure bottlenecks and (5) getting people to re-enter the workforce. These five measures, together with tax cuts, will go some way towards shielding working families from current inflationary pressures. The tax cuts contained in this bill will provide relief for families, will be fiscally responsible and will not drive further inflationary pressures—contrary to the assertions of the former speaker, the member for Wentworth. The Treasurer, Wayne Swan, has promised that the now soon-to-be-delivered tax cuts will be accompanied by new savings incentives to encourage eligible taxpayers to make the most of their disposable income gains by boosting their savings efforts.
This bill will also address the nation’s skills shortages by helping to encourage more people into the workforce. As I said previously, lifting workforce participation is a critical component of the government’s five-point plan to tackle inflation. Around the nation, labour shortages are the most significant factor hampering business expansion.

In my former life, before being elected to this parliament, I worked for the Queensland Resources Council, the peak body for mining companies in Queensland. It was definitely the top end of town, and my job involved giving advice to the CEO. Before that, I was a mining adviser for state government ministers. In those jobs, I got to visit a lot of mine sites all over Queensland. I got to visit a lot of boardrooms all over Brisbane and around Queensland. Time and time again in the climate of Work Choices legislation being rammed through this parliament, what was the No. 1 issue people were talking about? Was it industrial relations, with the mining sector having incredible union coverage in the coal sector and metalliferous mines? No. It was the skills shortage: skills shortage, skills shortage! The previous government just did not get it. Instead, they went off on their frolic into technical colleges and their union-busting agendas without doing anything fair dinkum that would have alleviated the skills shortage.

Treasury modelling indicates that the tax cuts contained in this bill will increase workforce participation by an estimated 65,000 over the medium term—that is an additional 2.5 million hours of labour each week—so it is going to be a fantastic contribution to address some of those festering skills shortages left over by the previous government. By rewarding effort through tax cuts, the Rudd government is also delivering incentives for taxpayers to upgrade their skills and gain higher qualifications—yet another initiative to be commended.

The tax cuts enable workers to keep more of their wage gains that come with being more highly skilled and productive—that word ‘productivity’ again. That word has not been heard very often in the parliament over the last 12 years, but it is something that the Rudd government and these initiatives are committed to addressing. They contribute to productivity and will go some way to improving the latest shocking figures.

I have the last government’s—the Howard-Costello government’s—productivity figures here somewhere, if you will just bear with me, Mr Speaker. Sorry, I am looking for them but actually cannot find them. I understand now why I cannot find them—because they are at zero. That is right: the current productivity figures that were handed over are actually at zero—yet another fumbling legacy that the member for Higgins must be very proud of, and I am hoping it will be also highlighted in his CV.

This bill is only the beginning of the Rudd government’s tax plan. These reforms are the first stage in the government’s strategy to flatten Australia’s personal income tax system by reducing the number of income tax rates from four to three. If the economic circumstances for it are in place, our continued reforms will see a personal income tax scale of 15 per cent, 30 per cent and 40 per cent and a more generous low-income tax offset delivering an effective tax-free threshold of $20,000 to low-income earners. So the people in our society who do it tough, the people in our society who are the most disadvantaged and the people in our society who were hammered most of all by Work Choices will be given some relief and some comfort by this tax incentive.

I thank Treasurer Swan for his efforts to prepare a bill that will deliver real tax relief for Australian working families and I look forward with pleasure to selling it in my
electorate of Moreton. I commend the bill to the House.

Mr MORRISON (Cook) (1.10 pm)—I rise to support the Tax Laws Amendment (Personal Income Tax Reduction) Bill 2008. However, in doing so, I express my total dismay at the sheer front of this government in making the claims they have made in this House in relation to the bill—and we just heard a few of them from the previous speaker, the member for Moreton. The Treasurer made reference to the bill, when introducing it, as containing ‘our tax cuts’ and said that these tax cuts were reforms that were long championed by Labor. As I sat in this place and heard these words, I had to do a double take. I looked up to make sure it was actually the Treasurer who was making these statements and not the member for Higgins. But a glance was all I needed to know that, sadly, this was not the member for Higgins but rather the new Treasurer. When it comes to comparisons—as the previous speaker has sought to make—between the current Treasurer and the member for Higgins, there is no comparison. It is chalk and cheese when it comes to those who have credentials in managing the Australian economy and those who claim to be managing it now.

What I found was that I had become another terrible victim in this place of the Ruddspeak that has taken control of this government: Labor spending good; coalition spending bad. As we see the members opposite come in here and trot out a reconstruction of the last 11½ years of economic management in this country, I am bewildered. I am sure that after the election they delved deep into the statistical archives to try and find something—anything—to construct an argument around. But I know the Australian people are seeing right through this, because they experienced the last 11½ years of economic management and they know what it was like.

This government have become so convinced of their ability to hypnotise the Australian public that they have embarked on a deliberate campaign to misrepresent the facts—and themselves in the process—cynically believing that just by saying it they can make it true. There is no better example than the representations made about this bill by the Treasurer. The bigger the lie, the more they believe they can pass it off on the Australian public.

Their most outrageous claim is in relation to the state of the economy at the change of government. On 24 November, the Australian economy was in tiptop shape. The Australian people know it, and Labor knows it. The Australian people know that in the past 11½ years they have had the strongest economic management on record. They may well have agreed with Labor’s symbolism on climate change. They may have liked the Kevin07 T-shirts, and their fears were well and truly exploited by a $30 million union-funded campaign. But one puppy they never bought from Labor was that Labor could better manage our economy. The puppy they tried to sell the Australian public on this front was well and truly a dog, and it barks.

The Treasurer’s performance in this House makes it clear that the Australian public were right on the money when it came to judging the respective economic credentials of the two parties. Australia has been the miracle economy, the ‘wonder down under’. If we are going to talk about statistics, our economy has grown to more than $1,000 billion on the coalition’s watch; more than two million extra people have got jobs since 1996—you have working families by creating jobs; and unemployment has fallen to 4.1 per cent compared to the eight per cent plus it was when the coalition government took office.

Labour force participation, which this bill is designed to address, is almost at two-
thirds, at 65 per cent, which is the highest level on record. Long-term unemployment has fallen from 26.7 per cent—that was 197,900 Australians—when the coalition took office to just 14.1 per cent, or 66,700 Australians. That is a reduction of 131,200 long-term unemployed people in this country. That is something that I am sure the member for Higgins is very proud to put on his CV.

Growth has been consistently strong, well above OECD averages. Apprentices in training numbered 397,400, which is 242,000 more than in 1996. The budget has been restored to surplus. We have heard many things in this place about the government’s great fiscal credentials, but, when the member for Higgins and the former member for Bennelong became Treasurer and Prime Minister, the deficit that they inherited was two per cent of GDP—not an average of 1½ per cent surplus for the previous three years but two per cent deficit of GDP and more than $10 billion. After that, they converted that into 10 successive surplus budgets. The Prime Minister likes to think that achieving a 1½ per cent of GDP surplus—after we have done that consistently for the last three years and run surplus budgets for 10 years—is some sort of herculean achievement.

A $59.6 billion Future Fund now exists, as does a $6 billion Higher Education Endowment Fund. We have had the single largest superannuation reforms in our nation’s history. Super fund assets have grown from around $200 billion when the coalition took office in 1996 to almost $1 trillion. Real wages increased by 21.5 per cent over the 11½ years of the Howard government, compared to a decline under the previous Labor government of 1.8 per cent. And, most significantly, $96 billion of government debt has been repaid. We moved into a position of the strange economic term, which was completely unknown in Labor’s time, of net negative debt. That was from a position of 26.5 per cent of GDP—that is what our $96 billion worth of debt was—to minus 4.1 per cent of GDP, at a time when the average level of debt by OECD countries was at 43.5 per cent and rising. This measure alone freed up $8.8 billion every year in interest payments that no longer had to be made. Yet the Treasurer has the front to come into this place and pretend that he is in the midst of an economic crisis.

The challenge the Treasurer faces is very simple: how do you run a strong economy? By his performances in this place, he has shown that he is clearly not up to it. The government’s carping and complaining about the strength of our economy—because that is what they are complaining about: the economy is too strong—illustrates that they simply do not have the stomach for managing the heat of a $1.1 trillion economy. If only the coalition government had inherited the problems that this government now claim to have inherited! The first thing the new Treasurer did not have to do when he became Treasurer was tour the world’s financial capitals to shore up our position with our nation’s bankers in relation to that $96 billion worth of debt. Instead, he had to decide where to invest the accumulated surplus. Instead of having to wrestle with unemployment at over eight per cent, he has to contend with a skills shortage caused by a booming economy and a 4.1 per cent rate of unemployment.

The government like to talk about inflation. They should know. When they were last in government, inflation averaged 5.6 per cent, compared to an average during the Howard-Costello years of just 2.5 per cent. The Rudd government fail to understand that their own actions in talking up the challenges of inflation most recently are contributing possibly more to inflationary pressures than anything anyone else is doing. Last month, in the February edition of the Reserve Bank
The Reserve Bank drew attention to high inflationary expectations. They noted that, since the Rudd Labor government was elected, inflationary expectations had risen from 3.8 per cent to 4.3 per cent. No wonder Unions New South Wales has recently lodged a claim in the state Industrial Relations Commission in New South Wales for a 4½ per cent pay increase. I have no idea how the government can pretend they will be able to rein in the unions, after owing them such a heavy debt, to ensure that they place no further pressure on wages and therefore inflation in this country.

While we are talking about keeping control of government expenditure, it is worth noting that under the coalition government there were more than 120,000 fewer federal government employees than when we first took office. This compares to an increase of more than 200,000 state sector employees over the same period in Labor states. And of course there is the steady rise in state debt, forecast to hit $80.5 billion in 2010-11.

Yet probably the most outrageous statement by the government, and more specifically by the Treasurer in his introduction to this bill, is that Labor is the long-term champion of tax reform. I note that the Assistant Treasurer made a reference in this place yesterday to Paris Hilton. He said, in reference to some other matter, that someone was behaving like Paris Hilton claiming to be a champion of public modesty. I think that analysis could be equally applied to the Treasurer when he claims to be a champion of tax reform. The government are content to campaign on their slogans and their jingles—I am half surprised that the government have not brought out a new blue armband in the nature of their long struggle on tax reform. It could have ‘Tax Titans’ on it, I think. It would go well with the T-shirt, and it would go well with all the jingoism to celebrate their long struggle on tax reform. But they are a government that have no understanding of the work or real effort required for real tax reform—or any reform, for that matter. They have simply not done the hard yards to claim the title of ‘combatant’ on tax reform, let alone ‘champion’. Labor have never been on the field of tax reform. They would be hard pressed to find where the field was when it came to tax reform, let alone take it.

Let us remember: this is a Labor Party that opposed the single greatest tax reform in our country’s history, in 1998. In 2001 they gave us rollback. In 2004 at the election they gave us nothing—nothing at all. And they followed it up by opposing tax cuts in 2005. In 2007 what they have given us and what we see before this place today is our own tax policy, having been bludgeoned into action by the finest Treasurer this country has ever seen. And this is what Labor call champion tax reform. Mind you, we must never forget that they are the same party of the l-a-w tax cuts—the ‘now you see them, now you don’t’ tax cuts.

I have no doubt there has been much squirming by those opposite to try and wriggle out of this commitment that they were forced into making to the Australian public by the former Treasurer. The unions wanted the tax cuts scrapped and put pressure on them to be scrapped. And to this extent I must commend the government for resisting at least that pressure. But I am sure there will be a price to pay down the track. If this is what they call championing tax reform, I would like to see what they call something they actually care about—because they are complete agnostics on the issue of tax reform in this country. Whatever pretensions are made in this place, they simply do not believe them. They have never in living memory taken an original proposal for tax reform to the Australian people. They have always believed that taxpayers’ money is better off in their hands on the treasury bench than in
the hands of ordinary mums and dads and their families going about their lives right across Australia—that is, those who earn it. Every time the subject of tax reform arises, they run for cover. They have to be dragged kicking and screaming to the table, as they have been on this occasion.

This is what real tax reform looks like. In 1996 the top marginal rate was 47c in the dollar and it kicked in at around $50,000, or 1 1/2 times average male weekly earnings. Today it kicks in at $150,000, or at 2.8 times average male weekly earnings, and you only pay 45c in the dollar. In 1996 70 per cent of taxpayers paid more than 40c in the dollar. Today only 20 per cent of taxpayers pay this amount. Furthermore, 45 per cent of taxpayers today face a marginal tax rate of 15 per cent or less, 85 per cent of taxpayers face a marginal tax rate of 30 per cent or less and 98 per cent of taxpayers face a marginal tax rate of 35 per cent or less. That is what real tax reform is. The product of these initiatives is that Australia today is a low-tax country compared to the standards of the developed world. I refer to the report that was released today, entitled Taxing wages 2006-07, by the OECD. The first sentence of the press release by the OECD says:

Families with children have paid less in tax as a percentage of their income in recent years in Australia ... thanks to family-friendly tax policies ...

That is the headline. That is what is in the first stanza of that statement from the OECD. And the Taxing wages document goes on to talk about their indicator of the tax wedge, which is the difference between labour cost to the employer and the net take-home pay for the employee including any cash benefits from the government or welfare programs. Where did Australia rank on the tax wedge? It ranked fifth lowest out of all the OECD countries. That is the product of genuine tax reform in this country. That is what happens when you introduce tax cuts in five successive budgets and implement the single largest reform of our taxation system, as was done by the Howard government in 1998 and opposed by Labor.

But that is not all. It was the coalition that introduced the senior Australians tax offset. It was the coalition that abolished taxation on superannuation payouts. It was the coalition that reduced the rate of corporate tax from 36 per cent to 30 per cent. It was also the coalition that reduced the tax on capital gains for individuals by 50 per cent as well as reducing the excise on petrol and diesel. And that is just to name a few. This is what you have to do on this side of the House to qualify as a champion of tax reform in this country. This is what being a true economic conservative is all about. It is not about words.

On this occasion the Treasurer has brought a watered-down version of our own policy into this House, claiming to be a champion of tax reform. The Treasurer is clearly delusional—as the member for Wentworth said—when he claims status as the dread champion of tax reform. This is a nonsense and an insult to every serious person who has ever picked up a pen in anger at the Australian taxation system. When it comes to taxation reform we have Winnie the Pooh for a Treasurer, and I do not think Winnie would be terribly flattered by the comparison. The fear I have is not just the Treasurer’s lack of sincerity on this matter but rather that this is the last time that we will see any serious measures to deal with income taxation from this government or taxation more generally. The coalition are the substantive authors of what we have before us today. The former Treasurer announced his bold, long fought for plan on 15 October 2007. The then Leader of the Opposition found himself the Old Mother Hubbard who went to Labor’s tax policy cupboard and—as the member for Wentworth pointed out—found that the cupboard
was bare. The Treasurer had announced the tax plan. The shadow Treasurer went with his leader and said: ‘What have we got after 11½ years of opposition? What can we announce? We certainly have not announced anything of any merit in any previous elections.’ And he has come back and found that the cupboard is bare. After 11½ years in opposition the now government had failed to develop a tax policy. So what did they do? They said ‘me too’ to the policy.

In the Canberra Times on 20 October 2007 Tim Colebatch commented:
It is not surprising Labor tried to match them in some way. That it should choose to simply copy them shows an alarming unwillingness to think for itself, in an election campaign in which its capacity to govern is a crucial issue.

That is what we have in this bill. The current Treasurer would not know where to begin to develop policy like the one that we have outlined in this bill. Where will the inspiration come from to take on the fiscal irresponsibility of state Labor governments as their debt balloons to $80 billion? Certainly not from those opposite. They have neither the vision nor the heart or stomach for it. Who on the government side will take on the fiscal irresponsibility of state governments as their debt balloons to $80 billion? Certainly not from those opposite. They have neither the vision nor the heart or stomach for it. Who on the government side will take on the fiscal irresponsibility of state governments as their debt balloons to $80 billion?

While the new measures must be supported, it is disappointing that the Australian public is being short-changed by this bill. The coalition had a bolder vision for the next step in reducing personal income taxes. I hope that it will not be a long time between drinks for the Australian public before we see the types of measures in this bill seriously considered again by an Australian government.

Mr Shorten (Maribyrnong—Parliamentary Secretary for Disabilities and Children’s Services) (1.30 pm)—In rising to support the Tax Laws Amendment (Personal Income Tax Reduction) Bill 2008, I realise that this debate is occurring on two levels. On the one hand the government is proposing tax reform and honouring its electoral promises and on the other, listening to the contributions from the opposition, I realise that we are getting a day-to-day display in what could only be described as wool-gathering. There is a forgetfulness about the past which even the shadow Treasurer, the member for Wentworth, cannot deny. The opposition, it would seem—having said that the coalition is the party of tax reform—has indeed chosen to overlook the 300-pound gorilla in the room, the number whose name cannot be spoken, the fact which unfortunately cannot be ignored. This is the simple statistic. In 1995-96, which was the last time a Labor government sat on the treasury bench, the proportion of Commonwealth government tax receipts as a proportion of GDP—in other words, the slice of the action that the government takes from the economy in order to carry out its functions—was 22.3 per cent. Yet in the last year of the Howard government, the proportion which the greedy, tax-grabbing opposition was taking from the taxpayers of Australia had risen to 24.7 per cent. There had been an increase.

Whilst the coalition members opposite may be proud of taking more money from
the economy, I suggest that their forgetfulness when they look back in some form of nirvana-like, lotus-eating contemplation about the pleasure of the glory years of the past is much mistaken. In fact, we look at how greedy and rapacious the coalition were when they were in government by taking tax as opposed to returning tax. Using the pea and thimble trick they would say, ‘We’re giving you money back.’ In fact, 2005 and 2006 were the glory years of the coalition tax bandit team. They were taking 25.1 per cent of the economy. By taking 25.1 per cent of the economy the coalition were reaching into the pockets of hardworking Australians and saying, ‘One for me.’ There had been an increase, not a decrease. Indeed, the estimate for this year—not including some of the one-off bargains that the government will always try and offer the electorate—is still 24.6 per cent.

Opposition members interjecting—

Mr SHORTEN—Members of the opposition find these numbers uncomfortable, unpalatable and unpleasant, but there is one thing which they cannot say. They cannot deny that these figures are definitely accurate.

Turning to the economic legacy which has necessitated the significant electoral promises being honoured by the Rudd government, championed by the Treasurer, let us look at foreign debt. Members of the opposition think that foreign debt is the amount of change you leave in the charity bin in business class on the Qantas plane when you come back from London. In 1996 foreign debt stood at $194 billion. What did the now opposition do in their lazy, tax-grazing years of government? They saw an increase in foreign debt—$610 billion in 2007. These people were playing the Las Vegas roulette wheels: ‘Come in spinner.’ When Labor was last in power our foreign debt was 37.4 per cent. But under the indolent hand, the dead hand, of coalition economic management, foreign debt blew out to 57.3 per cent of GDP. Again, members of the opposition think that foreign debt is what you pay on a foreign car. These are significant numbers and they reflect the poor legacy of the opposition’s economic management.

If we do not want to talk about the proportion that the tax bandits of the coalition used to take and we do not want to talk about the foreign debt of the frequent flyer miles constructed by the opposition, let us talk about labour productivity growth. Now that is a shameful number. In the last six years of coalition rule—indeed ‘rule’ as an active sort of a word, as opposed to a more passive term like ‘sleep’ or ‘nano-nap time economically’—productivity grew by only two per cent. Multifactor productivity grew by only 0.7 per cent per annum. Yet in the previous decade, when we saw the accomplishments of the previous Labor government, productivity grew at 2.6 per cent per annum—contrasted with the very sorry and lamentable two per cent under the coalition. Multifactor productivity stood at 1.6 per cent—contrasted with the lazy, indolent, nirvana, lotus-eating years of the coalition government.

If we want to look at poor numbers and debate the mantle of tax reform, there is a university in the Netherlands which the former Treasurer was fond of quoting—and I apologise to the Dutch speakers in the parliament for my pronunciation—the University of Groningen and its Conference Board. Their analysis revealed that Australia’s productivity as a percentage of United States productivity, which was viewed as best practice, was 80 per cent in 1990. Yet by 1998 it had grown to 88 per cent, courtesy of the range of reforms of the Labor government, including tax reform. Looking at it as a proportion of the OECD, under the Labor ad-
administration productivity grew from 93 per cent to 100 per cent. Surely these Everest-like accomplishments would have been repeated by the coalition government—if we believed some of the opposition speakers. But what we discover is not a climb. We are not moving up in the game of snakes and ladders—we do not have a ladder when the coalition is in government—we have actually slipped on the snake and gone backwards, from 88 per cent to 82 per cent. Courtesy of the coalition when they left government, they got us back to where we were in 1992. And that takes some doing.

By contrast, what we see here is that the government is putting forward tax cuts, which were an electoral promise. Labor knows that it has to implement the promise. It is part of a responsible plan of fiscal discipline which we are seeing in a range of policies the Prime Minister has outlined. These tax cuts are necessary. They are what we need to restore at least some of the balance in the Australian economy because, let’s face it, the tax bandits of the coalition, on some Pancho Villa like raid into the Australian taxpayers’ pocket, increased their tax take. What we have to do is return it to the people, as opposed to the fishing hall of fame.

This is part of improving the overall benefit to workers, who suffered so poorly under those Work Choices laws—again, another 300-pound gorilla the coalition still does not know whether to pat or shoot. These tax cuts have to compensate, in part, for the Liberal legacy of inflation. Labor is committed to restraining inflation. The tax take of the federal government during the coalition years has been at too high a level and Labor is going to give some of it back.

We will not allow the opposition to misrepresent what they did not do regarding tax reform. It was more a case of tax passivity or of the manx cat sitting on the rock outside in the sun, casually licking its paws, grabbing more of the taxpayers’ milk and not doing much to deserve it. These taxes will help Australian workers and working families ensure that they are okay in life. It is certainly the case that a number of factors improve the quality of life for Australian families and workers in general. One is the proportion of tax they pay. Others include the income they have to spend, their wages and their superannuation. All these items add up to having a fair and decent standard of living. This tax cut legislation is one part of the package. It helps compensate for frustrations that people have about wage rises and also inflation. This tax cut legislation is an effective mechanism to help people. These tax cuts in fact provide incentive for people to participate in the economy.

When we look at what the coalition actually say about tax reform, we discover that they have a history, not, as the member for Cook would suggest, of being reformers, but perhaps of being reformers with a little ‘r’. ‘Reform’ means to clean things up, to remedy, to uplift, to repair, to rehabilitate, to correct or to change. When I have a look at the legacy which these tax bandits left by their laziness and lack of interest in the Australian economy, I see they are not tax reformers; they are tax tinkerers. They are tinkerers, because in their 11 years they could never manage the real changes in the Australian economy.

Mr Morrison interjecting—

Mr SHORTEN—We had some big challenges in the Australian economy, as the member for Cook may be interested to learn. How did we wake up today and find we had a shortage of skilled labour? Why was the Reserve Bank ignored 20 times when it said that there are real problems in capacity restraint? In the last five years, with the commodities boom, we have seen a five-fold in-
crease in job vacancies. What was so difficult to work out? We had cut the conditions of apprentices; we actually discouraged people from going into that area.

There was another big change other than the skills shortage which appeared on the opposition’s watch—the environment, climate change. Unfortunately for the Australian economy and the Australian society, the opposition believe that climate change is an added extra on a Lexus motor vehicle. That is about as seriously as they took the issue.

Then we had their wasted agenda on industrial relations, which in fact has decreased productivity, not encouraged it. Then there is infrastructure—the failure to support the states to build the infrastructure we need. The prime achievement in infrastructure by the coalition in the last 11 years, because one would not want to be unfair to the tinkerers on the other side, was the Adelaide to Darwin railway. But that is it. After building that railway, it all got too hard: ‘We stopped and had a bovril, a bex and a bit of a lie down.’

As for the coalition’s record of tax reform and economic management, we see that the best economic management they had was previously given to them by Labor—the floating exchange rate, the national savings scheme. These are things which help enhance productivity. Interestingly, when I listen to the shadow Treasurer there seems to be a clear loss of memory about one specific event, which is the economic management of the coalition whilst they were in government. It is called lacuna amnesia. The difficulty for these lacuna amnesiacs opposite me is that the first time there were problems when the big issues came along—and the commodities boom has generated what growth we have had—we had a coalition which were skilled at missing the boat. They missed the boat on improving superannuation, they missed the boat on handling the environment and they missed the boat on infrastructure. I would not want these people to be my travel agents because we would all miss the boat.

On the one hand, the opposition want to stare mistily into the past and remember the glory of the Prime Minister’s years but, on the other hand, they want to play in the traffic and say, ‘That wasn’t really us.’ I always listen with interest to the current shadow Treasurer—and who knows where he’ll end up—and the difficulty that he has is that you can argue that you are a fresh face and you can argue that you support tax reform, but there is something called ‘your record’. You cannot disown the past. The problem for the opposition is that they have been tinkerers. We have seen an inability of the opposition to grasp the fundamentals of reform.

Mr Robb interjecting—

Mr SHORTEN—The member for Goldstein referred to unemployment. I tell you what the unemployment rate is for people with disabilities in Australia—although I hesitate to guess that, when you are a person with disabilities, the coalition might not know how low your unemployment rate is—and what the participation rate is. It is a sad 39 per cent, well below the rate in OECD countries. So, when it comes to protecting the vulnerable, the opposition are in trouble trying to claim that mantle.

We see that our individual tax burdens, compared to OECD standards, are relatively high. Take 2004-05. If you have a look at who was paying half of the income tax of $101.6 billion, which the tax bandits of the coalition were taking to feather their electoral promises, you will see that half of the income tax burden was being paid by people who earned less than $660. What a fantastic year that was! They get to pay half of the income tax burden of Australia, then they get Work Choices in their stockings at Christ-
— a truly frightening sort of Stephen King political outcome! What we see is that low income—

Opposition members interjecting—

Mr SHORTEN—As much as you do not wish to wear the record, you did the time so now you have got to pay the price. Low-income families, single people and childless couples lost ground in the last decade. Have a look at these changes. These will improve participation. Courtesy of the wisdom of our Prime Minister and our Treasurer, 3.4 million people will benefit from change to the low-income tax offset. Eligible taxpayers receiving the senior Australian tax offset will gain increases in the threshold by the consequent increases of the low-income tax offset. According to recent information from the Australian Tax Office, 600,000 Australians will benefit from this. In addition we have Labor advancing further on the reform front. Not content to do just this, Labor is going to decrease the number of tax rates from four to three. It is going to lift the effective tax rate threshold of $20,000.

Tax cuts are part of a balanced package and we cannot expect the Reserve Bank of Australia to take all the load. Labor have a five-point plan and we are not asking the low paid to bear the burden. We are going to do good things in superannuation, in these tax cuts and in the bargaining system, and you are seeing a real dose of fiscal discipline—something which would have given nightmares to the former cabinet of the opposition when they were in government.

There is one thing about these tax cuts: they do help to compensate for inflation. Over the course of the lost 11 years of tinkering by the now opposition, the proportion of tax taken from Australians by the government increased from 22 per cent plus to 25 per cent plus and it is still at 24.7 per cent. This is a coalition opposition who made a hallmark of taking money from people and spending it on their particular priorities. What we see now is a reforming Labor government that is consistent with the best traditions of Labor, ensuring that the low paid and the middle-income earners receive their fair cut. I hope—and indeed I believe—that these tax cuts are the start of a package to deal with the legacy of inflation, the runaway foreign debt and the crippling fall in productivity. When it comes to the big issues of the Australian economy you would want to leave it to Labor, because the last 11 years of the coalition have been a sorry disappointment.

Mr KEENAN (Stirling) (1.47 pm)—It is a pleasure for me to talk on the Tax Laws Amendment (Personal Income Tax Reduction) Bill 2008. It is a pleasure for me to talk on it because I thank the government for implementing coalition policy. We have just had the member for Maribyrnong give us an entertaining, although sadly largely inaccurate, speech. I wonder if he can spell ‘hyperbole’ because there is such a thing as metaphorical overreach and I think he really scored gold on that measure here today. This is a good policy because it has been cut and pasted from the policy that we the coalition took to the people at the 2007 election. It is a policy where the Labor Party said: ‘Yes, me too. That looks pretty good; we’ll take that.’ Astonishingly, the Labor Party went into the 2007 election without a tax policy. That is a pretty fundamental policy for an opposition party to take before the Australian people, yet the Labor Party—extraordinarily—had no tax policy before the 2007 election. What they did was wait for us to release our tax policy. Then their brains trust got together, sat down, pulled out the coalition tax policy, walked up to the photocopier and pressed ‘copy’. Then they came out and said, ‘This too is Labor policy.’ Unfortunately, this sort of copy-and-paste policy is part of the evidence that we see here on a daily basis.
about the government’s lack of experience in managing the economy. It shows the Treasurer’s, the finance minister’s and the Prime Minister’s lack of capability in handling our economy. The Treasurer’s inexperience—and, indeed, I think it is fair to say his poor grasp of economic fundamentals—is all too apparent to everybody who sits in this place.

We have heard a lot from the government in this debate about the coalition’s record when it was in government, and I would like to take this opportunity to remind the House of why it is that the coalition has such strong economic credentials. Under the coalition, Australia’s economy grew by 40 per cent in real terms and real household wealth more than doubled. That is an extraordinary record. Australia’s growth rate during the period of the coalition government was amongst the strongest in the developing world and compared favourably to those of almost all of our OECD competitors. Coalition policy delivered the lowest level of unemployment in Australia for 30 years, with the creation of 2.2 million jobs. By 1990, Australia’s income per capita had fallen to the bottom third among our fellow members of the OECD, but under the coalition economic policies our per capita income recovered to be in the top third of the OECD. The coalition brought down the highest number of surplus budgets of any government in the history of Australia.

Of course, Labor have absolutely no credible record of budget surpluses. They opposed the measures that we took to deliver a balanced budget and for the last three years the coalition government achieved budget surpluses of more than 1½ per cent of GDP. What we will get is the government running around making a big noise and saying how competent they are because they will deliver a surplus of 1½ per cent of GDP. What we all know is that they would be able to do that standing on their heads. All they actually have to do is sit there and benefit from the economic management of the previous government and this surplus will, of course, magically appear. Yet they are making a big noise about how their fiscal discipline will achieve that. It will be achieved because the hard yards were done by the coalition. The coalition paid off $96 billion worth of Labor’s debt and that saved Australians about $9 billion a year in interest payments. Imagine what that money did and continues to do for the Australian people. That is $9 billion a year extra to spend on schools, hospitals and roads.

I would like to take a minute to have a look at what has happened since Labor came into office. What happened is that business confidence levels fell almost immediately. In February, the National Australia Bank’s monthly business survey found that business confidence had fallen by nine points. This is the worst result that the NAB survey has found since the terrorist attacks in the United States on September 11 2001. The survey attributed this big fall in business confidence to uncertainty in global financial markets and to tighter domestic financial conditions. This was followed by the Sensis survey of small to medium businesses, which showed, quite alarmingly I think, that support for the government’s policies has slumped dramatically. The approval indicator—what small and medium business think of what the government is doing—fell by 34 per cent and, significantly I think, the Sensis business survey found that small and medium business feared that the government will take too much notice of the unions.

Added to these surveys are the Treasurer’s and the Prime Minister’s statements about the inflation genie being out of the bottle. This seems to be a constant refrain from the new government. They talk about the inflation genie being out of the bottle. The Treasurer says it, the Prime Minister says it and
the finance minister says it. Astonishingly, the foreign affairs minister went to New York and told a group of prospective investors in Australia that the inflation genie was out of the bottle. When you have got a government going around talking down the economy, is it any wonder that business confidence has been so dramatically impacted? The reality is that it is totally irresponsible for the government to go around spooking companies and investors, not to mention hardworking Australians, about inflationary pressures. The shadow Treasurer said it best when he said that the new Treasurer has a very ham-fisted approach to economic management. The Australian has also belled the cat on this new government strategy. In an editorial on 5 March this year it said:

The federal Government’s actions to forcefully brand Australia’s inflation problem on to the hide of the Howard government for future political use has added to the problem of inflation expectations.

This behaviour—this running around like Chicken Little saying that the sky is going to fall in—simply underlines their inexperience as capable economic managers. The Prime Minister, the Treasurer and the Minister for Finance and Deregulation should be condemned for this scaremongering. They should be condemned for creating fear amongst the Australia community, particularly amongst people who are deserving of our utmost support. They have created an atmosphere of anxiety among the needy and they have created an atmosphere of anxiety for everyone in Australia who holds a mortgage or has a superannuation account.

Astonishingly, this is the mob that tried to tell the Australian people that they were capable economic managers. I have got news for the Prime Minister: it actually takes more than cutting an ad to become an economic conservative. The Labor Party ran ads in Western Australia—I assume they ran in other parts of Australia as well—where the Prime Minister said, ‘Some people like to call me an economic conservative.’ Which people? Who likes to call him an economic conservative—Hawker Britton? Nobody who has any familiarity with this Prime Minister’s record would call him an economic conservative. Indeed, if you had any familiarity with his record, you could only conclude that he is an economic illiterate. In the time that he has spent in this House, from 1998, he opposed all the important reforms of the coalition years. I think—and this has been given wide airplay in this chamber—his comments about tax reform are probably the most instructive. The Prime Minister called the introduction of the much needed tax reform that we took to the people in 1998—the GST—a day of fundamental injustice against the Australian people. He has an opportunity now he is Prime Minister, if he believes that the GST was a ‘fundamental injustice’ perpetrated against the Australian people, to change all of that. But, of course, he doesn’t. He has said that he will copy the coalition’s economic policies, and what the government have done today within this bill is, of course, doing exactly that.

I will turn to the coalition’s record on tax reform because it is, indeed, a very impressive record. Throughout our years in office, we lowered the company tax rate; we halved capital gains tax for individuals; we removed end benefits for taxation on superannuation—and that reform is now currently under threat by the new government; we replaced the complex wholesale sales tax system; we reduced petrol excise; and we moved from a 150 per cent diminishing value rate on business assets to a 200 per cent diminishing rate to encourage investment in plant, equipment and technology. We did these things because the coalition were mindful of the need to make the tough but necessary decisions to make Australia more competitive and to cre-
ate jobs. The coalition’s tax policy, which has so enthusiastically been embraced by the government, was designed to do exactly that. It is indisputable that the tax cuts which were proposed by the coalition, which we are discussing in this bill, will create even more jobs in Australia. Indeed, it is estimated that they will encourage about 65,000 new people into the workforce. The tax cuts that are contained in this bill, as well as the increases in the low income earners tax offset, build on the tax cuts that were so successfully delivered by the coalition over their years in office. These tax cuts start with the historic new tax system introduced on 1 July 2000—the introduction of which the Prime Minister described as a ‘fundamental injustice’ against the Australian people—a system that required real political courage to implement.

Mr Bowen interjecting—

Mr KEENAN—The Assistant Treasurer interjects. I would be interested to know this: the new government has built up a store of great political capital, and what is it going to do with it? The former government understood that, when you are a popular government, you use some of your political capital to do the things that are necessary, to make the tough but necessary decisions to improve Australia. And tax reform, of course, was one of those very important initiatives that the former government took that this government would never have the wit or the courage to take.

The tax cuts that we are discussing in this bill today build on the tax-cutting record of the Howard government from the year 2000. The coalition made these cuts in the budgets of 2003, 2004, 2005, 2006 and 2007 and, of course, in our final budget in office, 2007-08. The Mid-Year Economic and Fiscal Outlook for 2007-08 noted that the cumulative effects of the coalition policy, as well as of the tax cuts that we are discussing in this bill, encouraged about 300,000 extra people into the workforce. That is a very impressive record and it is one of the reasons why we managed to create 2.2 million jobs during the coalition’s time in office. This happened because of the coalition’s effective stewardship of the economy for the past 11 years. The tax cuts, the increases in employment and the paying off of Labor’s debt could not have been afforded without the government taking the tough but necessary decisions. These tax-cutting efforts conform to what is a fundamental principle of liberalism—that is, when the government takes what it needs to fund services for the Australian people, it returns those services—

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

QUESTIONS WITHOUT NOTICE
Pensions and Benefits

Dr NELSON (2.00 pm)—My question is to the Prime Minister. I refer the Prime Minister to reports about the future of carers’ and seniors’ payments arising from late-night briefings by his staff. Will the Prime Minister himself confirm that carers and seniors will receive their lump-sum payments this financial year?

Mr RUDD—I thank the Leader of the Opposition for his question. As I said to the parliament yesterday, when it comes to their bonuses, carers and pensioners will not be a single dollar worse off when it comes to this budget, and, consistent with normal practice, those payments will be made within the financial year.

Economy

Mr BRADBURY (2.01 pm)—My question is to the Prime Minister. Will the Prime
Minister update the House on recent developments in global financial markets?

Mr RUDD—I thank the honourable member for his question. As we have seen over recent months, there is increasing global uncertainty in financial markets. This highlights the importance of responsible economic policies and prudent management of public finances. Last night the United States Federal Reserve, acting in coordination with other central banks, announced initiatives to improve liquidity in credit markets. The Federal Reserve has initiated a new term-securities-lending facility which will provide up to $200 billion in additional funds to credit markets. The funds will be accessible by primary dealers, including major investment banks, which will be able to use a wide range of securities as collateral. That will help financial institutions manage their activities by trading relatively illiquid assets they currently hold for more-liquid assets. The extra liquidity will work in conjunction with low interest rates to assist financial markets in dealing with current challenges. The Federal Reserve’s action is a recognition that global credit market conditions are very tight. Since the onset of the subprime crisis, major banking institutions have announced around US$125 billion of subprime related write-downs, and capital positions are stretched by the need to take on a further US$120 billion of assets previously held in off-balance-sheet vehicles.

While Australia’s economy and our financial sector remain strong, the events of recent months demonstrate we are not immune from the influence and turbulence of global markets. But the government is also in close contact, through the Treasury, with our regulators, businesses and the Reserve Bank. Australia’s economic fundamentals are sound and our regulatory arrangements are the best of any in the world. However, we in Australia remain alert to the impact of global credit market conditions on the Australian economy. Credit spreads remain at elevated levels. The tightening of credit is being felt in our corporate sector through higher costs of borrowing, tighter lending standards and reduced access to credit. It is also being felt by working families with the higher mortgages which are currently offered by banks and the rates which mortgage holders have to pay.

Developments in the global economy combined with significant inflationary pressures in the domestic economy reinforce that this is the time for responsible economic policy, prudent fiscal management and prudent management of the outlays of government. The inflation challenge that we face is not something that has emerged overnight; it has been building for some time. Inflation is now running at a 16-year high and interest rates are the second highest in the developed world. Working families have now had to suffer 12 interest rate rises in a row. The combination of these domestic inflation and interest rate pressures and uncertainty arising from global financial markets is also reflected in today’s consumer sentiment survey, which has recorded a fall of 9.1 per cent in March to its lowest level since September 1993.

The government remains committed to its policies of responsible economic management, remaining mindful of developments in international financial markets, reining in unnecessary government spending and investing in long-term productive capacity. The government remains committed to building a modern Australia and national economy in these difficult times ahead both in terms of the pressures which come from the global economy and the inflation challenges at home.
Mr Andrews—Mr Speaker, on a point of order: I ask the Prime Minister to table the document he has just read word for word.

The SPEAKER—Was the Prime Minister reading from a document?

Mr Rudd—Yes.

The SPEAKER—Was the document confidential?

Mr Rudd—Yes.

The SPEAKER—I call the Leader of the Opposition.

Pensions and Benefits

Dr Nelson (2.05 pm)—My question is to the Prime Minister. Will the Prime Minister confirm that lump-sum payments to carers and older Australians will be tax free and not treated as income in calculating their social security payments?

Mr Rudd—I am happy to provide that guarantee.

Economy

Mr Gibbons (2.05 pm)—My question is also to the Prime Minister. Will the Prime Minister outline some of the factors contributing to the cost of living pressures Australians are facing at present and the government’s attitude to the next decision of the Australian Fair Pay Commission?

Mr Rudd—Working families right across Australia are under financial pressure. We have seen so many challenges which working families have had to face in recent times, including the highest interest rates—the second highest in the developed world—and inflation now running at a 16-year high. These, of course, impact on the circumstances of working families. Their ability to manage the family budget is impacted on by all of these considerations, including petrol, groceries, child care and health insurance premiums. There have been 12 interest rate rises in a row since 2002, and we have had seven interest rate rises since Work Choices was introduced two years ago. All of these have placed real pressures on working families.

The Australian Fair Pay Commission will be reviewing applications for increases to the minimum wage over the coming weeks ahead of their pay decision in July. I note that there are reports in today’s papers relating to the ACTU’s claim for an adjustment in minimum wages. The government will be asking the Fair Pay Commission for a fair and reasonable outcome. We want an outcome that takes into account the cost of living pressures on working families and we want an outcome that takes into account the need for restraint in the economy because of current inflationary pressures—out of control wages which we have inherited from our predecessors. Inflation is the enemy of working families, and it is critical that we reduce those inflationary pressures.

It is in that context that today I again call on Australia’s business leaders to show some restraint when it comes to their salaries at the top end of remuneration. I do not want to see a situation where we end up with two Australias: one part of the country enjoying boom time conditions while the rest of the country takes the pain of tougher financial circumstances.

The financial pressures on Australia’s working families have been made worse by the policies of those who preceded us. The threat of rising inflation did not arise overnight; it has been rising for some years. In fact, there were 20 consecutive warnings by the Reserve Bank in previous times, each of which was ignored by the previous government when it came to dealing with capacity constraints in the economy, particularly when it comes to skills and infrastructure. But, if you look at their most recent record in government, Work Choices has in fact sav-
aged the ability of working families to manage with decent wages and to balance the family budget. AWAs ended up slashing the wages of many Australians. Remember that the member for North Sydney said:

When I took over the job I don’t think many ministers in cabinet were aware that you could be worse off under Work Choices and that you could actually have certain conditions taken away without compensation.

Well, hold the phone. I would have thought that the former minister, as a member of the government and the cabinet at the time, would have looked carefully at what the bill that he introduced as law actually contained. You only need to look at the facts. According to the ABS, workers on AWAs work more and earn less per hour than those in the same jobs who have been employed on collective agreements. Then there is the impact of Work Choices on women. Women on AWAs earn less per hour than those on collective agreements. ABS data shows that Australian women on AWAs who work full time earn $2.30 less per hour on average, or $87.40 less per week based on a standard 38-hour week, than those on collective agreements.

We have before us now the Liberal Party with its newfound tradition of compassion. This is the same Liberal Party which should reflect on the impact of its legislation, namely Work Choices, on working families. If the Liberal Party want now to become the party of compassion, they should stop trying to slow down the passage of the government’s workplace relations transition bill so that all Australians can be protected from AWAs. But still they cannot help themselves. We had the Leader of the Opposition making this statement on Meet the Press last Sunday:

… it’s not that we are supporting Labor’s changes—we are not opposing them.

Let me repeat that in terms of a crystal clear position of absolute policy clarity on the part of the loyal opposition:

This was clearly intended as a clever piece of coordinated confusion between himself and the deputy leader, who on Insiders a few moments later had this exchange with Barry Cassidy. Barry Cassidy asked: ‘But you are supporting the abolition of Work Choices?’ The Deputy Leader of the Opposition said: ‘No, we are not opposing it.’ Here we have the party opposite putting itself forward as the alternative government of Australia, an alternative government of Australia which says it has this newly discovered tradition of compassion alive in its every being. Here is the first task of compassion: let the bill go through the parliament—let it go through the Senate—so that working families can be protected from your AWAs.

Mr Andrews—Mr Speaker, I raise a point of order. I ask the Prime Minister to table the document he read word for word.

The SPEAKER—Was the Prime Minister reading from a document?

Mr Rudd—Yes.

The SPEAKER—Was the document confidential?

Mr Rudd—Yes.

DISTINGUISHED VISITORS

The SPEAKER (2.11 pm)—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from the Republic of Estonia led by the President of the Parliament, Ms Ene Ergma. On behalf of the House I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!
QUESTIONS WITHOUT NOTICE

Wages

Mr Turnbull (2.11 pm)—My question is addressed to the Prime Minister. Has the Treasury provided advice to the government on its minimum wage submission that includes a recommended specific dollar increase? Will the Prime Minister confirm that the government is planning not to recommend that specific dollar increase in its submission? Why, if the fight against inflation is the government’s No. 1 priority, does the government lack the courage to follow Treasury’s advice? Or does the Prime Minister prefer that the Fair Pay Commission accept the ACTU’s ambit claim?

Mr Tanner—There goes the compassion. It didn’t last long.

Mr Rudd—It did not take until the third question for compassion on the part of those opposite to expire. Our position is that working families deserve a decent outcome, a fair and balanced outcome, from this upcoming case. The government’s position in response to the case has yet to be determined. When it is, the country will know about it.

Workplace Relations

Ms Collins (2.13 pm)—My question is to the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. What impact have Australian workplace agreements had on the take-home pay of hardworking Australians?

Ms Gillard—Can I echo the words of the Prime Minister in answer to the earlier question from the member for Bendigo. Of course working families rely on decent minimum wages. They also rely on a decent safety net at work; that is, a safety net that cannot be stripped away from them. Today I am in a position to outline some further information about the way in which working Australian families had the safety net ripped away from them by the Liberal Party in government, the party of WorkChoices.

I want to put these statistics in context. It is very difficult to get statistics about the impact of Australian workplace agreements on Australian working families, and that is because the former government—the Liberal government, the party of WorkChoices—knew that Australian workplace agreements were hurting working families and they deliberately wanted to cover that information up. They therefore went through no systematic analysis of what was happening with Australian workplace agreements. They kept them in the black box. They did not want them looked at. They did not want them scrutinised. The amount of information that has been in the public domain has been limited. There was some at Senate estimates. There was some that leaked. There was the ABS data that the Prime Minister referred to in the House earlier today.

Of course, there were two systems that the former government operated in relation to Australian workplace agreements. The original WorkChoices system meant an Australian workplace agreement was valid provided that it passed just five minimum conditions. Then last year, under acute political pressure, the then government in the lead-up to the election lurched for a so-called fairness test. Beyond that point, Australian workplace agreements were only valid if they were assessed against a set of protected award conditions. In order to understand the statistics that I am about to give to the House, people need to understand that transition point. This is an analysis of agreements that were filed in the two months from May last year.

Mr Hockey interjecting—

Ms Gillard—These are new statistics. What we need to understand about these statistics is that, in that time period, employers
may have been broadly aware that there were some changes to the workplace relations system, because the government had had a press conference and had bought some advertising. We can assume that in that period when they could get no hard information about the operation of the fairness test, because no hard information was available, employers were continuing to file with the Workplace Authority the kinds of workplace agreements they had been filing prior to that time. What do we find when we look at those Australian workplace agreements?

An opposition member—They’ve all got jobs!

Ms GILLARD—They’ve all got jobs—the party of Work Choices speaks! Thank you very much. That is a big tick for Work Choices from the Liberal Party backbench. The party of Work Choices is once again revealed as the party of Work Choices, using exactly the same arguments it used in the lead-up to the last election. But looking at this sample of 670 Australian workplace agreements filed in this period, which were assessed against the protected award conditions and would have been examples of the kinds of agreements that used to be filed prior to the fairness test, what do we find? These statistics are truly startling. Approximately 45 per cent of these AWAs provided between $1 and $49 per week below the required rate of pay for the protected award conditions—that is, they ripped people off for between zero and 50 bucks a week. That was approximately 45 per cent of them. When we go further, we find that approximately 50 per cent provided from $50 to $199 per week below the required rate of pay—50 per cent provided less than people should have got by a margin of $50 to $199 dollars. Approximately five per cent provided $200 to $499 per week below the required rate of pay, ripping people off by that amount week after week. Approximately 0.5 per cent—half a per cent—provided more than $500 per week below the required rate of pay.

In the last few days, we have heard a lot in this House from the Liberal Party about so-called compassion. I would ask Liberal Party members in this House to look at these new statistics which would be indicative of the kind of Australian workplace agreements which were filed under the previous government.

Mr Hockey interjecting—

Government members interjecting—

The SPEAKER—Those on my right, ignore the member for North Sydney.

Ms GILLARD—They were perfectly legal under those laws and are indicative of the kinds of agreements that used to pass their Australian workplace agreements test, ripping working families off for $100, $200, $300, $400 or $500 a week. I would ask members opposite to consider what they have done to working families and to try and square that with their new-found rhetoric about compassion. This is laughable hypocrisy from a party that not only authorised the rip-off of working families but delighted in it—and they continue to do so.

Pensions and Benefits

Mr ABBOTT (2.19 pm)—My question is to the Prime Minister. Can the Prime Minister confirm that accommodation costs in aged care facilities are a set proportion of pension payments? If the carers’ and seniors’ lump-sum payment is converted to a pension increase, as the Prime Minister thinks is preferable, will this trigger a rise in those accommodation costs? How then will the Prime Minister keep his promise to ensure that carers and pensioners will not be a dollar worse off under his government?

Mr RUDD—I am always taken by a tactic employed by those opposite when they can-
not get off the railway tracks; that is, we will have a series of questions on carer bonuses and pensioner bonuses and, when they get the answers they would prefer not to get, they will just keep sailing on over the cliff. As I said before, when it comes to the question of bonuses for carers and pensioners, they will not be a single dollar worse off. It will be a one-off payment within the financial year, as I have indicated before. As a consequence of that, you have a set of assurances to the country at large and to the parliament which were never in the life of this parliament provided by those opposite when it came to the provision of bonuses to carers and pensioners—not once!

I go back again to the sterling policy pronouncement by those opposite. The party of compassion was so definitively committed to ensuring that carers and pensioners had absolute certainty going into the election in November last year that, if they elected a coalition government, they would definitely get their payments. Here is what the coalition had to say to them:

If re-elected the Coalition will consider continuing to pay these bonuses, depending on the economic circumstances at the time.

In terms of the construction of weasel words, this actually deserves the Nobel prize. You have escape clauses writ large from the beginning of that sentence to the end. That is what carers and pensioners went to the last election with by way of assurance from those opposite. What they have from the government as an assurance going into the next budget is precisely that bonuses for carers and pensioners will not result in them being a dollar worse off. They will be paid within the financial year. They will be a one-off bonus. I would suggest that you consider carefully how much longer you are going to continue on this particular set of railway tracks.

Mr Hockey—Mr Speaker, I seek leave to table a transcript from 2UE’s Steve Price program this morning, during which the Leader of the House was asked: ‘So the commitment is that the $1,600 carers allowance and $500 pensioners bonus will be paid as cash this financial year?’ Albanese: ‘No, that is not the commitment.’

Leave granted.

Skills Shortage

Mrs D’ATH (2.23 pm)—My question is to the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. Will the Deputy Prime Minister inform the House about the causes of the skills crisis that Australia now faces and the government’s response?

Ms GILLARD—I thank the member for her question. This nation does face a skills crisis which is adding to inflationary pressures. We have been warned about it, and the former government was warned about it by the RBA on 20 occasions. I know that in this place there are members opposite who simply do not understand the dimensions of this crisis. I refer them to the words of Suncorp Chairman and Tabcorp Director, John Story, who is also the Chairman of the Australian Institute of Company Directors, who delivered this damning assessment of the former government’s approach to skills shortages:

We should have been addressing infrastructure issues. We should have been addressing skills shortages five years ago. I mean, we talked about it. These issues were discussed around board tables like this for the past 10 years, and the chickens are coming home to roost and there is no short-term fix.

That is a message from business about the dimension of skill shortages. Whilst business is delivering this message, members opposite live in denial. We have had the shadow minister for training saying that skills shortages were ‘just a matter of where we are in the
business cycle’—a denial that there is even a skills crisis. And the shadow Treasurer has been quoted as saying:

The truth is ... Australia does not have a chronic skills shortage ... This is the opposition in denial about their legacy and in denial about a contemporary problem facing the Australian community and its economy. Today’s Grant Thornton survey shows that 58 per cent of the businesses surveyed identified skill shortages as the biggest constraint to their growth. Whilst the former minister for vocational education and training may not have done much about it, at least he was prepared to acknowledge that there was a skills crisis when he said:

We have got a problem with skills shortage. I mean, we knew it was coming, but it has arrived with force and, you know, it is only going to get worse.

How were these skill shortages created? If we look at where the former government put investment in skills development, we see some remarkable things. We saw $3 million invested in the provision of training and qualifications in nail technology. Mr Speaker, you might well think to yourself: ‘That’s good. Hammering nails into wood, building things—skill shortages in the construction industry—$3 million into skills training for nail technology.’ You might be thinking that that is a good thing. It is not those sorts of nails that we are talking about. We are talking about fingernails. We are talking about $3 million being invested in skills training so that people can have manicures—a file and paint, a set of acrylics. That is what the former government invested in: $3 million in nail technology.

Mr Rudd—Really?

Ms GILLARD—Really, Prime Minister. I accept that the Leader of the Opposition is a man of the world and he probably understands the merit of a manicure in a party room that is beset by claws that are unsheathed and out. But I would ask the Leader of the Opposition and those that sit on the opposition front benches: when in government, how did they come to the conclusion that with skill shortages besetting the Australian economy the most important thing we needed was 1,232 more Australians qualified to provide manicures and 700 more Australians qualified to apply make-up and cosmetics—a total cost of $3 million for the manicures and $1.5 million for the make-up and cosmetics? This was their investment in training.

Whilst the mining sector and the construction sector were calling out for skilled workers, you might not have been able to get a house built but you could always go down to the beauty parlour and make yourself feel better about it. That was their contribution to training in this nation—hardly meeting the needs of working families, who need the real skill shortages in this economy fixed.

Opposition members interjecting—

I am not denigrating the occupations of providing manicures and providing make-up services—but I am suggesting that Australia’s skills shortages are in areas where the former government did not invest. Part of Labor’s strategy is to broaden and deepen our investment so that we can meet the skills shortages in the economy. We will be addressing that with our 450,000 training places. We will be addressing that with skills investment at certificate III level and beyond. We will be addressing that with urgent investment in skills shortage areas. The former government neglected the skills crisis; the present opposition does not even realise it exists. We will be investing to fix it, to make sure that working Australians can upgrade their skills and unemployed Australians can get access to training, and to make sure we
take inflationary pressures out of this economy.

DISTINGUISHED VISITORS

The SPEAKER (2.29 pm)—I inform the House that we have present in the gallery this afternoon Mr Charles Chauvel, the New Zealand Parliamentary Secretary to the Attorney-General and Minister for Justice. On behalf of the House, I extend to him a very warm welcome. I also notice in the gallery the Hon. Con Sciacca and the Hon. David Simmons, former ministers and members of this place. I am sure that they will be given warm welcomes—and in some places in the chamber they will be warmer than in others.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Pensions and Benefits

Dr NELSON (2.30 pm)—My question is to the Prime Minister. I draw the Prime Minister’s attention to the response given by the Leader of the House this morning on the 2UE Steve Price program to a question. The question in relation to the payments for carers and seniors was this: ‘So the commitment is that the $1,600 carers allowance and the $500 pensioners bonus will be paid as cash this financial year.’ The response by the leader of government business was: ‘No, that’s not the commitment.’ Prime Minister, will the 400,000 Australian carers and the two million seniors receive their lump sum cash bonus this financial year?

Mr RUDD—I thank the honourable member for his question. Of course they will, consistent with my previous answer. I really think that, when the Leader of the Opposition asks questions in this place, he should do so accurately. The question which was put to the Leader of the House in the interview— I have the transcript here—says: ‘The commitment is that the $1,600 carers allowance and the $500 pensioners bonus will be paid as cash this financial year’—that is where you stopped. The actual question goes on to say ‘and for how many years ahead?’ to which Albo responds, ‘That’s not the commitment.’ Then he goes on to say, ‘That any carers and seniors payment—

Mr Randall—Mr Speaker, I rise on a point of order. I ask that the Prime Minister—

Mr Albanese interjecting—

Dr Nelson interjecting—

The SPEAKER—Order! I might give the Leader of the House and the Leader of the Opposition an opportunity to have a discussion outside the chamber. I just ask them to be quiet. The member for Canning has the call.

Mr Randall—Mr Speaker, I ask that the Prime Minister be guided to refer to members by their titles.

The SPEAKER—The Prime Minister will refer to members by their titles.

Mr RUDD—Three or four lines later, the member for Grayndler, the minister for infrastructure and Leader of the House says, ‘I’ve given you the commitment, Steve, which is that, when it comes to the carers and seniors bonus payment, carers and seniors won’t be a dollar worse off and, secondly, that any carers and seniors payment the government makes this year will be paid up-front.’ They are the commitments that there are. That is quite clear-cut. If the Leader of the Opposition is going to stand at the dispatch box and misrepresent a transcript when putting a question to the parliament, frankly, I think he should hang his head in shame. When it comes to the certainty which is required by carers and pensioners with their bonus payments, we will make sure that those carers and pensioners will not be a single dollar worse off and, beyond that, that that payment
will be made in a lump sum within the financial year.

What I find remarkable about this entire exchange is that the newborn party of compassion, which lodged its birth notice last Friday, registered its death notice with its earlier remarks, when the member for Wentworth said that working families do not deserve a decent outcome when it comes to the minimum wage.

Mr Turnbull—Mr Speaker, I rise on a point of order. I ask the Prime Minister to withdraw that statement. His memory is not so defective as not to be able to remember what I said.

Mr Albanese interjecting—

The Speaker—Order! The Leader of the House! Because of the hubbub, I honestly did not hear the latter part of the response from the Prime Minister and I am unsure what it is that—

Opposition members interjecting—

The Speaker—Whilst I am reluctant to invite the member to explain to me what the remark was, that is the position I am in. The member for Wentworth might explain what it is that he wishes to have withdrawn.

Mr Turnbull—Mr Speaker, the Prime Minister, at the conclusion of his answer, said that I had just said that Australian working families did not deserve a fair wage. It is absurd!

The Speaker—I simply say to the member for Wentworth that there are other forms of the House that he might use.

Employment

Mr Clare (2.35 pm)—My question is to the Treasurer. What is the government doing to prevent the unemployed being recycled from welfare to work to welfare and what measures is the government taking to deal with the skills shortage?

Mr Swan—I thank the member for his question. What this government is doing is modernising our economy. What this government is going to do is invest in the drivers of productivity—because, the higher our productivity, the faster our economy can grow and the lower will be the inflation we receive. But that is not understood by those opposite, because they never invested in the drivers of productivity. What we have seen in recent times is that average—

Opposition members interjecting—

The Speaker—Order! The Treasurer will resume his seat. Again, I am a little reluctant to make this utterance because it will be interpreted by some as not meaning what I want it to mean. For half an hour, people on my left have been seeking to put a question to the Treasurer. There is now a question to the Treasurer, and I invite the members on my left to sit in silence and listen to the response.

Mr Swan—Over the last five years, average annual productivity growth has been lower than at any other time in the last 16 years. We learnt from the national accounts last week that in the last year it was zero. Of course, strong productivity growth is the key to wealth creation and to job creation. Precisely at the time that productivity growth was declining, inflation was going up. So improving productivity is the key to job creation in this economy. Also, because of that, we have put in place our investment in skills, our investment in deepening the skill base of the workforce—450,000 new training places—and, of course, when it comes to infrastructure, political leadership. We know the previous government had no concern for investment in this area, and the result was the highest underlying inflation rate in 16 years.

An extraordinary thing happened today: the member for Wentworth went out and said that he was going to mount a vigorous argu-
ment. Do you know what the vigorous argument was? It was against having a plan to fight inflation. Can you believe that? More disturbing still, the member for Wentworth said that there was no such thing as a skills crisis in Australia. What planet is the member for Wentworth from? You cannot go out and talk to a business in this country without finding them talking about skills shortages, and that is the problem.

The member for Wentworth will say anything and do anything, but he does not have a plan to fight inflation. He has a plan to take the Leader of the Opposition’s job but no plan to fight inflation, and that is risky for this country. We need a government to put policies in place which will fight inflation and create jobs for all Australians.

Mr Pearce—Mr Speaker, I rise on a point of order. Could I ask that the Treasurer table the document from which he was reading?

The SPEAKER—Was the Treasurer reading from a document?

Mr Swan—It is confidential, Mr Speaker.

DISTINGUISHED VISITORS

The SPEAKER (2.39 pm)—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from Vietnam led by His Excellency Mr Nguyen Phu Trong, President of the National Assembly of Vietnam. On behalf of the House, I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Wages

Mr TURNBULL (2.40 pm)—My question is addressed to the Prime Minister. How can the Prime Minister claim, as he did in his answer to my previous question, that the government is still to settle its position regarding the application to the Fair Pay Commission, when the government decided at its cabinet meeting of 25 February to ignore Treasury advice and to not include a specific increase amount in its submission to the Fair Pay Commission?

Mr RUDD—I thank the honourable member for his question. The government is yet to determine its final position on this matter and, when it does, the country will be the first to know about it.

Health

Mr GEORGANAS (2.41 pm)—My question is to the Minister for Health and Ageing. Will the minister explain what action the government has taken to put our health system on a long-term sustainable footing?

Ms ROXON—I thank the member for Hindmarsh for his question. He has taken an active interest in issues of health and ageing on both sides of House, and I am sure that he will be very interested in the fact that our Health and Hospitals Reform Commission had its first meeting today. I attended that meeting this morning and met with not all 10 of the top-quality people who we have appointed to provide us with high-level advice on how to create a modern health system for a modern Australia.

The National Health and Hospitals Reform Commission, as people would know, was appointed two weeks ago by the Prime Minister and has responsibility for developing a long-term health reform plan for the country. We on this side of the House know that a long-term reform plan is needed. Of course, those on the other side of the House spent 11 years denying that there was any required reform in our health system. In fact, the previous Minister for Health and Ageing used to proudly declare himself to be anti reform, while a whole range of issues bubbled along in the health sector with no attention being given to them. There was the ripping of money out of the hospital system, allowing preventable hospital admissions to
grow and 60 per cent of the country being affected by areas of health workforce shortage—something both the Leader of the Opposition and the former minister for health have acknowledged was the responsibility of early decisions of the Howard government. There was also a nursing shortage, and we are facing a whole range of other demographic changes which will affect the burden on our health system.

So, at the first meeting today of the Health and Hospitals Reform Commission, part of the agenda was to further the work on performance reporting that this government has committed to. This was a Rudd Labor election promise and it is being delivered by a Rudd Labor government. Today the Health and Hospitals Reform Commission is meeting with the Institute of Health and Welfare, private hospitals, insurers and the states and territories to further this national reporting, which will apply to all hospitals across all states, across both sectors, and will involve reporting by the Commonwealth as well. This reflects the dual-tack approach that we are taking to health: both immediate reforms that are needed to our system now—elective surgery funding and getting nurses back into our hospitals and aged care facilities—and planning for the long term.

I am very pleased that, in stark contrast to the previous government’s anti-reform approach, the appointment of the Health and Hospitals Reform Commission was welcomed by the Leader of the Opposition. I am very pleased that he was able to support that initiative. I am concerned, however, that at the same time the Leader of the Opposition has called for a rural doctor to be added to the commission. We of course are very concerned about the health needs of the rural community, but I trust that the Leader of the Opposition is not letting his past medical background blur his vision as a leader. One of the appointees to the commission is a rural area health nurse. I trust that the Leader of the Opposition is not suggesting that a rural area health nurse would not know anything about rural health. I know there are a lot of issues on the other side between the National Party and the Liberal Party, and I know that the members of the National Party understand how important rural nurses are. I hope that this is not an attack on the very experienced person who has been appointed, Sabina Knight. She is an experienced nurse and a teacher, based in Alice Springs. I would hope that the Leader of the Opposition will clarify that he does not think that a rural area health nurse is not able to represent the views of rural communities.

Dr Nelson—Mr Speaker, I raise a point of order on relevance and on indulgence. I have been asked to clarify. There should be the chief nurse and a rural doctor, and the agreement should be done after the commission reports.

The SPEAKER—The Leader of the Opposition will resume his seat. There was no point of order, but he has made his point.

Ms ROXON—It is interesting that the Leader of the Opposition is so determined to have a say on who we put on our health reform commission, when his government was refusing to be involved in any sort of health reform for 11 years. Now he wants a say on who the people should be. I actually do not think the Leader of the Opposition has any idea of what is going on anymore—he is confused about whether he supports it or whether he does not. To deliver on these significant changes to our health system requires leadership. It requires vision. That is leadership and vision that have been provided by this government, and it is going to deliver long-term reforms for a modern health system for a modern Australia.
DISTINGUISHED VISITORS

The SPEAKER (2.46 pm)—Order! The member for Wannon would appreciate this. The occupant of this chair does not get to play ‘spot the gallery’, but other people who are playing ‘spot the former member in the gallery’ have indicated to me that Mrs Mary Easson, a former member of this House, is in the gallery. On behalf of the House, I extend to her a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Dental Health

Mr HOCKEY (2.47 pm)—My question is to the Prime Minister. Is the Prime Minister aware that more than 16,000 Australians have accessed the $4,250 Medicare dental rebate in just two months? Is the Prime Minister aware that the replacement scheme proposed by his government provides no direct dental treatments for those Australians with the worst dental problems?

Mr RUDD—I am pleased to receive a question from the member for North Sydney, a member of the party which axed the Commonwealth dental scheme. I find it remarkable that he would have the audacity to stand at the dispatch box and ask any question about dental health whatsoever. Literally hundreds of thousands of Australians out there—

Mr Hockey interjecting—

The SPEAKER—Order! The member for North Sydney has asked his question.

Mr RUDD—were without any access to effective public dental care over years and years and years, going back to the cruel decision in 1996 to axe that program, leaving so many people in the lurch. Frankly, it is breathtaking that the Liberal Party could put forward a question on this.

We have committed ourselves to re-establishing the Commonwealth dental program. We have committed ourselves to establishing a new teen dental program, which will assist teenagers to obtain a $150 subsidy effectively each year to assist them with getting a proper dental check each year. Why? Because dental health is fundamental to total health—something which those opposite when they were in government seemed not to grasp.

When it comes to the overall structure of our dental programs, we take the needs of working families seriously. That is why we have restructured programs we inherited from the previous government which, on balance, were not being effective, and have introduced instead a series of additional health programs targeted at working families, targeted at those who need public dental care and targeted at those who need teen dental care. We stand by the commitments we made before the election and will honour each one in full.

Skills Shortage

Ms REA (2.49 pm)—My question is to the Minister for Employment Participation. What is the government doing to attend to skills shortages in Australia, and how will this ensure that Australians can find work?

Mr BRENDAN O’CONNOR—I thank the honourable member for her question. It is a very important question, because it goes to the crisis that besets this nation. Of course, that is the skills crisis, a crisis that the opposition seems to ignore—indeed, to deny. The yet to be released paper from the National Centre for Vocational Education Research states: ‘Unemployed people are being recycled from welfare to work and back to welfare.’ It also refers to the courses that are undertaken by job seekers who are seeking to get back into the workforce as ‘mickey mouse courses’. I take these concerns very seriously. I look forward to the final report being released.
This report confirms what this government already knows—that is, that the former government’s short-sighted policies have contributed to one of the greatest skills shortages our nation has ever faced. The previous government, as has been said by the Deputy Prime Minister and indeed by the Treasurer and the Prime Minister, ignored 20 separate warnings from the Reserve Bank. They also ignored the views of the Business Council of Australia. They were willing to take the money of the Business Council of Australia; they should have taken their advice and ensured that the skills crisis in this country was attended to, but they failed to do that. They also failed to take account of not only that employer body but other employer bodies and other parties who time and time again reminded the previous government of the concerns that were being experienced in many industries and by many employers.

Last month, the Age’s economics editor quite rightly said: ‘The Howard government dropped the ball on skills training.’ Unfortunately—and it is unfortunate—the evidence of skills shortages is everywhere. The MODL list—that is, the Migration Occupations in Demand List—indicated, in 1999, 18 occupations where there was a shortage. That has blown out, from 1999 to 2007, to 95 occupations that are now in demand. That is a 400 per cent increase in the demand for particular occupations. It underlines the point that the previous government failed to attend to this particular issue.

For almost 12 years, the opposite side squandered opportunities. Under the former government, referrals from the Job Network to apprenticeships and traineeships fell dramatically. For example, in 1998 there were 32,000 apprenticeships commenced as a result of Job Network placements. By 2005, they had dropped to 7,000—that is, apprenticeships under Job Network placements dropped from 32,000 to 7,000. Yet those opposite, including the shadow Treasurer, remain in denial that there is a problem. Indeed, recent media reports have indicated that the shadow Treasurer does not believe that there is a skills crisis in this country and does not believe there are chronic shortages in skills, and I am here to tell him that he is wrong. The shadow Treasurer is wrong and the opposition are wrong if they think that this is not a major problem for this country. It does not surprise me that the shadow Treasurer does not think that there is a skills crisis. The only skill crisis he is concerned about is with the Leader of the Opposition. The only skills crisis he is concerned about is the failure of the Leader of the Opposition to articulate a response.

The SPEAKER—The minister is starting to debate and not respond to the question.

Mr BRENDAN O’CONNOR—We know we need to change the employment programs to provide job seekers in this country with appropriate skills. We know we have to change the programs so we can attend to those skills. We have received 250 submissions. That review is being undertaken because we need to change the way in which we seek to assist jobseekers. The problem with the current programs, without prejudicing the review, is they did not attend to the changing demographic of those people not in work. By that I mean those people who were confronting non-vocational and vocational problems were not being addressed by the programs and we will seek to fix that. We know that the previous government failed. The Rudd government will not fail in this regard. We have made a commitment to ensure that there will be 450,000 VET places over the course of the next four years—175,000 of which will be for those people who are seeking to find work or are marginally attached to the workforce, 20,000 of which will be available from April. There is no doubt in the government’s mind that this
is a critical matter, a matter that was ignored by the previous government, but the Rudd government are building a modern economy that is confronting the challenges of the 21st century. The opposition on the other hand is stuck in the past, not knowing where it stands on any particular area of public policy.

Dental Health

Mr HOCKEY (2.55 pm)—My question is to the Prime Minister. Is the Prime Minister aware of comments made by the President of the Australian Dental Association, Dr John Matthews, that the Labor Party’s policy on dental care is now ‘patchy and piece-meal’? Is the Prime Minister aware of comments made by his Labor Party colleague the member for Dobell that he will be ‘fighting for dental under Medicare’ because ‘too many Australians are living in misery’? Does the Prime Minister really understand the impact on disadvantaged Australians of his decision to remove dental care from Medicare only last week?

Mr RUDD—Once again we have evidence of the party of compassion! The party of Work Choices are trying to flap back into life again with a bit of compassion. They had 12 years in office, and what did the previous government do when it came to dental care? If you travel around the shopping centres of Australia, as I and members of the front bench did so much in the course of last year, and talk to people—

Mr Hockey—Mr Speaker, I rise on a point of order. The question was specifically about the government’s abolition of the dental care program under Medicare last week.

Mr Rudd—The party of newfound compassion, the party of Work Choices, has not discovered one core fact: right across Australia people are crying out for proper attention from public dental care. That is why we committed ourselves explicitly before the election to fund the re-establishment of the Commonwealth dental health care program. That will cost us a considerable amount of money, $290 million, which is estimated to help 650,000 people currently on waiting lists. You would know this if you had bothered to speak to some of those people on waiting lists and to examine carefully the degree of pain and discomfort they found themselves in from these dental conditions, which have lasted for years without attention. The attitude of those opposite was simply to walk away, to say, ‘It’s not my problem,’ and to blame the states. That is not the attitude of this government. This government stands by working families who need that sort of assistance and, particularly, by those who need assistance from the Commonwealth dental health care program.

Beyond that, we also committed ourselves to what we would do with teen dentals. Teen dental care is critical. I notice that the member for North Sydney sneers at this. When it comes to preventative dental care and ensuring that our young people are merged into the workforce with the best state of physical health possible, dental health care is absolutely critical. Time and time again working families under financial pressure asked us, ‘What can you do to help us with our kids’ basic dental treatment?’ Our response is to provide $150 towards an annual preventative check for teenagers aged between 12 and 17 in families receiving family tax benefit part A. Around one million teenagers will be eligible for these dental services. This is extraordinary. If you obtain a check like that, with proper scaling and cleaning, it does a huge amount in terms of reducing the impact of future dental health problems. On top of that, payments will be made by Medicare Australia through a new dental benefits schedule. The entire premise of the member for North Sydney’s question collapses at that point—not to mention the rest of the argu-
ment the opposition have put forward, which is that they are somehow the party of compassion, born with a sudden application of defibrillators last sitting Friday. It lasted until Monday, when the shadow Treasurer stood up and said to working families that they do not deserve a decent outcome from the national wage case. And now, again, the party which abolished within their first year in office the Commonwealth dental health care program are standing up and pretending to Australian families that they are serious about it. Well, frankly, nobody believes you.

Defence Procurement

Mr BEVIS (2.59 pm)—My question without notice is to the Minister for Defence. Will the Minister for Defence inform the House what action the government is taking to begin fixing the Howard government’s legacy of dysfunctional defence equipment projects?

Mr FITZGIBBON—I thank the member for Brisbane for his question. Few people in this place could match his expertise or long-standing interest in defence matters. I was very pleased to learn that, I think, only today the member for Brisbane was elected Chair of the Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade. There could be no better choice, and I know he will do fantastic work in that new role.

Last week the government made what might be one of the toughest decisions it will take over the course of this parliament. The National Security Committee of Cabinet had to decide whether to continue to throw money at a project not likely to ever succeed or to bite the bullet and scrap the former government’s infamous Seasprite helicopter project. Unfortunately and tragically, on this occasion biting the bullet means flushing $1.36 billion of taxpayers’ money down the drain. That is a lot of money in anybody’s language. But the decision was not just about money, as important as that is. It was also about the safety of those in uniform who fly our aircraft. The new government wants to make sure that future capability meets the highest possible standards in the 21st century.

The Seasprite helicopter project is already seven years late. Think about this: if the government wanted to do what the former government was doing—take another gamble, take another punt—the capability may be brought on-stream in the not-too-distant future. The reality is that it would have been another three years before that capability was delivered. That means that in total the project would have been 10 years late. I said during a press conference last week that that would be like taking a 2008 Commodore to the 2018 Bathurst 1000. Given that we do not know where vehicle technology is going or how fast it is moving, maybe the better analogy would have been taking a 1998 Commodore to the 2018 Bathurst race. The government is determined to bring sound economic management to defence procurement to ensure that the Australian Defence Force gets the capability it needs to do its job efficiently, effectively and in as safe a manner as is possible and that taxpayers get value for money. The Seasprite helicopter project is probably one of the worst projects that we inherited from the former Labor government.

Opposition members interjecting—

Mr FITZGIBBON—The former government!

Opposition members interjecting—

Mr FITZGIBBON—Yeah, yeah: big point! I will wear the faux pas.

Opposition members interjecting—

Mr FITZGIBBON—I hear the interjections. Can I just remind the House that the Seasprite helicopter project—the Leader of
the Opposition is agreeing it was the worst—was a project that was signed by the Howard government in 1997. It is true that the Keating government had an idea of placing a new helicopter on what was to be the offshore patrol combatant, a project in partnership with the Malaysian government which never transpired. When the Howard government were elected, and the combatant project was scrapped, they decided they would buy it anyway. They went to tender, chose the contractor—Kaman—and proceeded with the contract, which was signed in 1997. It was very much the project of those who sit opposite.

But I was trying to say that, while the Leader of the Opposition agrees it is the worst project, it is just one of many nightmare projects we have inherited from the former government—in fact, the list is very long indeed. But what are the others? I hear the shadow minister for defence, Senator Minchin, regularly these days denying these projects exist. He is in some form of denial. He knows only too well that these projects are very real. I am happy to brandish the folder—this catalogue of waste and mismanagement running into the billions and billions of dollars.

Opposition members—Table it!

Mr FITZGIBBON—They invite me to table it but they know it is commercial-in-confidence, they know it is secret and they know how irresponsible it would be and indeed how——

Mr HARTSUYKER—Mr Speaker, I ask the minister to table the document.

Mr FITZGIBBON—The only person on that side not calling upon me to table that folder is the Leader of the Opposition, because the Leader of the Opposition knows exactly what is in that folder!

Dr Nelson—Mr Speaker, could I please ask the Minister for Defence to table the red folder.

Mr FITZGIBBON—How disingenuous was that request, coming from the bloke who knows better than anyone that I am in no position to table these commercial-in-confidence and, in some cases, secret documents. He knew he was on very safe ground.

Opposition members interjecting—

Mr Billson—‘Dear president of Iran, it was a bit like this ...’!

The SPEAKER—Order! The member for Dunkley is denying the member for Fadden the call. I hope that this is a different point of order.

Mr Robert—Mr Speaker, I rise on a point of order. The minister has indicated that the documents are classified, indeed secret, yet I note that there is no classification on the top or the bottom of the folder.

The SPEAKER—There is no point of order. The member will resume his seat.

Opposition members interjecting—

The SPEAKER—Order! Before giving the minister the call I ask that the minister ignore the interjections and that the interjections cease.

Mr FITZGIBBON—Of course, the Leader of the Opposition knew he was on safe ground asking that question because he knows better than anyone in this place what is in that folder and that it is impossible for me, as much as I would like to, to table that folder.

Mr Hockey interjecting—

Mr FITZGIBBON—The member for North Sydney says, ‘What’s in the folder?’ Let me just mention a couple of things that have been well and truly covered in the press that I can talk about briefly. What about the Adelaide class FFG upgrade? What about the
$3.5 billion Wedgetail project? What about the lightweight torpedo project? The Leader of the Opposition is familiar with all these projects. Prior to the election, we made a promise that, if we were elected, we would review these projects as a matter of priority—and we are carefully, thoroughly and as quickly as we can working our way through each of these projects.

In the case of Seasprite, we have shown a willingness to make the tough decisions when it is necessary, something the former government was not prepared to do. We will do so especially when the security of the nation and the safety and capability of the Australian Defence Force are at stake. The consequences of the decision not to proceed with the project are very complex, and discussions with the project contractor regarding the legal and financial arrangements have commenced. Indeed, a negotiating team from the DMO went to the United States just last weekend. I will provide further details about the arrangements once those negotiations are complete.

Of course, the Navy will still need the capability that the Seasprite helicopter would have provided. These matters will be more fully investigated as part of the government’s new defence white paper process, something the former government should have done some time ago. In the meantime, Defence will look at how best we can provide that additional capability using our existing fleet of Seahawk helicopters. The government is determined to ensure that the capability gap created by the former government’s incompetence is filled as quickly as is possible.

I acknowledge that the cancellation of this contract may affect up to 55 industry employees in the Nowra region. The opposition might want to listen to this point, Mr Speaker. Thankfully, the skills those employees hold are heavily in demand in the Australian economy. In addition, the government is committed to ensuring that the investment we have made in their skills will not be wasted, and we have engaged a local human resources company to assist those employees in being re-placed. Of course, effective Defence Force personnel will be repositioned or redeployed into other helicopter activities.

Defence helicopter activities across the Nowra region are set to expand, and the government remains committed to the expansion of those projects.

Opposition members interjecting—

Mr FITZGIBBON—The member for Gilmore, I suspect, will be interested in this, if those who sit on the front bench are not. The decision to cancel the Seasprite helicopter project is one that should have been taken by the former government years ago. They had the same facts and figures available to them as we now have available to us, but the reality is they put their own political interests in front of the national interest. You will recall that sitting on the former national security committee were the now Leader of the Opposition, the former Treasurer, the former Minister for Foreign Affairs and the former Attorney-General. Since the NSC, under the Howard government, last made the decision to proceed with the Seasprite helicopter project, some $26 million of additional taxpayers’ money has been spent on that project—a $26 million gamble with taxpayers’ money by the former National Security Committee of Cabinet.

Opposition members interjecting—

The SPEAKER—Order! The members on my left will not encourage him.

Mr FITZGIBBON—Interestingly, the response of Senator Minchin, the now shadow minister for defence, to the government’s announcement of last week was to say: ‘That’s all good. We agree with the decision.’ The former government now agrees with the
government’s decision. But it was interesting that he was forced to point out that the Leader of the Opposition fought to have the project scrapped in that national security committee in around April or May last year. What was his defence of the now Leader of the Opposition? ‘He was rolled.’ He was rolled by his own cabinet colleagues. It is about leadership. This issue now and all these failed capability projects will be about leadership.

The SPEAKER—Order! Minister, whilst the question was well crafted by a senior member of this place, it does not invite him to get into a debate. I think that the minister should find a finish to his response.

Mr Albanese—He’s just getting started!

The SPEAKER—The Leader of the House will not encourage him.

Mr Fitzgibbon—The responsibility now falls to the new government to sort this mess out. We are determined to show leadership on the Seaspire question and on these other capability projects. We will ensure that the Defence Force gets the capability it needs and that taxpayers get value for money.

Mr Hartsuyker—I rise on a point of order. I point out that that was in fact a 15-year record for a lengthy answer.

The SPEAKER—The member will resume his place. Order! Whilst there was noise before the member for New England got the call the last time, earlier in the day, I want quiet. I call the member for New England.

Wheat Exports

Mr Windsor (3.13 pm)—My question is to the Prime Minister and relates to the Prime Minister’s meeting with wheat growers in my electorate to discuss marketing of wheat exports in March 2006 in his then capacity as shadow minister for foreign affairs and trade. Does the Prime Minister recall saying, when asked about future wheat marketing arrangements at that meeting:

I think if the Howard Government is fair dinkum about finding out what wheat farmers want, what they should be doing is polling all registered wheat farmers.

Prime Minister, given that polling taken last year indicated that only 11 per cent of wheat growers wanted a multilicensing arrangement, will you delay passage of your government’s legislation until Australia’s 24,000 registered wheat growers are polled for their views?

Mr Rudd—I thank the honourable member for New England for his question. I do recall visiting his electorate with him some years ago on this, as I do recall meetings with many wheat farmers right across the country at that time, as I recall meetings with representatives of rural industry organisations most recently on this matter. The first point is this: why are we in this mess on the wheat industry? It goes back to something called AWB.

Opposition members interjecting—

Mr Rudd—That is the truth. The reason we have our wheat marketing arrangements in disarray comes down to three letters: AWB. And it goes back to the wheat for weapons scandal, which members opposite do not wish to be reminded of but which fundamentally torpedoed amidships the credibility of our then existing international wheat marketing arrangements. That is why the entire wheat industry, including the 24,000 good and honourable people out there growing wheat as a crop as their livelihood, have had their future international wheat marketing arrangements placed in jeopardy as a consequence of the inaction—and, some would say, worse than that—on the part of the previous government.

Secondly, therefore, we as the incoming government have had to confront the realities
of, ‘How do you best deal with the situation in a way which maximises the interests of growers right across the country?’ It is no secret to those opposite; it is no secret to the National Party; there is a huge division of opinion among wheat growers, depending on what part of the country you come from, when it comes to exactly the right approach to take. In Western Australia you have a huge deregulation constituency. In parts of New South Wales you have a huge non-deregulation constituency. In various other parts of the country it splits right up the middle. Take, for example, Wilson Tuckey, the member for O’Connor.

A government member—Where is he?

Mr RUDD—When he is onshore, we know full well where the member for O’Connor stands on this, which is a no-holds-barred, complete, total deregulation of the industry. We know that. We also know that there are huge divisions within the coalition, within the National Party and between the National Party and the Liberal Party on this matter.

To go back to the direct answer to the honourable member’s question, ‘How do you best plumb the depths of what actually is the best set of opinions coming forth from the industry?’ what I can say—and I fully acknowledge what the honourable member has said—in response to that is, dealing with the realities that we have had to deal with, coming into office, the minister for agriculture has been out there, on the ground, right across the nation, consulting wheat farmers, I think it is fair to say, in every state of the country on what is the best set of arrangements for the future. Those arrangements have been reflected in the bill that we are putting forward for consultation with the industry very soon. We believe it represents the best balance for the future. But I will not say to all members here present that it will be to the universal welcome of every wheat farmer in the country; it will not. As those who are honest opposite will recognise, there was no alternative set of wheat marketing arrangements which would have met with the universal accord of wheat farmers. You know that as well as anyone else in this place.

Can I conclude where I began: none of this would have happened had the previous government discharged its responsibilities in ensuring that Australia’s important $4-billion-a-year wheat crop was marketed to the rest of the world in a non-corrupt fashion. Instead you allowed $300 million worth of bribes to be paid to the Iraqi dictator, which were then used to buy bombs, guns and bullets for deployment against Australian troops. On this question, the government as it existed at the time has no credibility.

Regional Partnerships Program

Mr HAYES (3.17 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. Minister, what is the government’s response to community concerns about fiscal responsibility and the implementation of regional programs?

Mr ALBANESE—I thank the member for Werriwa for the question. Mr Speaker, you would recall that three weeks ago I reported on the government’s commitment to fiscal responsibility and ensuring that the regional programs that we put in place are consistent with that commitment. I referred to this report of what I called ‘the Nationals Audit Office’ into the Regional Partnerships program, which showed that this program had:

... fallen short of an acceptable standard of public administration.

Today I can report that the Nationals’ mismanagement was not confined to just the Regional Partnerships program. In May
2005, the former government gave a $426,962 grant under the Dairy Regional Assistance Program to the Indigo Cheese factory in the electorate of Indi. It was to help them manufacture:

... locally handmade specialty cheeses from locally sourced cow, goat and sheep milk.

Some might say, ‘A worthy cause.’ But it was not to be, because the cheese factory actually shut its doors on 14 March 2007.

But here is the catch: as part of the grant, the former government paid an instalment of $22,135 of taxpayer’s money on 28 June 2007—three months after the factory had closed its doors. I asked my department what the legal advice was on this, and the extraordinary thing is that Indigo Cheese were deemed to have complied with their contractual obligations. Just think about that. The factory shuts in March 2007, but they still get $22,000 of taxpayers’ funds just before the end of the financial year, in June 2007, because, under the contract that they signed, under the former government’s regional arrangements, you could get the money—you did not have to actually produce any cheese. The factory did not have to stay open. It was just like the Gunnedah ethanol plant that did not produce any ethanol. One could have thought, perhaps, that Indigo Cheese might have just been an isolated mistake. But under the Regional Partnerships program an astounding 16 projects were terminated because they failed to get off the ground.

I am not going to inform the House of all 16 projects today. But one of them jumped off the pages at me when I looked at the list, and that was a project appropriate for the National Party: the Tailwaggers Essential Pet Food Pty Ltd project. We know that the National Party tail often wags the Liberal Party dog when it comes to regional programs. We know that the Leader of the Opposition has put his leadership, strong as it is, on the line over the amalgamation of the National Party and the Liberal Party. We know that, if that happens, we will get a two-headed dog. But we also know that Tailwaggers Essential Pet Food will not be providing any food to either of the heads of that dog, because they have not produced one bit of actual food.

When you look at the project, it gets even worse, because the project was in Walgett. Walgett was in the seat of the then member for Gwydir, who was the Leader of the National Party and happened to be the minister for regional services at the time that the grant was given.

Government members interjecting—

Mr ALBANESE—I am asked if he had a dog—we do not know, but I understand he is supporting the two-headed dog at the moment. In spite of this, the parliamentary secretary thought it was okay to give them $246,477 in approved grants in June 2004. The good thing was that with this particular grant, unlike the previous examples of the cheese factory that did not produce cheese and the Gunnedah ethanol plant that did not actually exist, the money did not actually come forward because, after two years of protracted negotiations, Tailwaggers were forced to admit that they could not deliver the pet food to either end of the dog.

Indigenous Communities

Ms JULIE BISHOP (3.23 pm)—My question is to the Prime Minister.

Government members interjecting—

The SPEAKER—Order! The Deputy Leader of the Opposition has the call. Those on my right will cease interjecting.

Ms JULIE BISHOP—Is the Prime Minister aware that yesterday his Northern Territory representative Senator Trish Crossin sought to trivialise the child abuse and neglect in the Northern Territory when she said that ‘only 50’ children had been referred to
Family and Community Services so far? She went on to say:

So the dramas and the charades and the attention that was sought by the previous government in relation to child sexual abuse and child neglect, I believe, were severely overstated.

Prime Minister, isn’t the abuse of one child tragic enough—let alone ‘only 50’? Will the Prime Minister require Senator Crossin to apologise for these dismissive and contemptuous remarks?

Mr Rudd—I am unaware of the remarks that the Deputy Leader of the Opposition has referred to. Can I say this about child abuse: wherever it occurs, whether it is in Indigenous communities or non-Indigenous communities, I think all of us in this place are united around one basic precept and it is called zero tolerance. Any kid anywhere, whether they are in an Indigenous or a non-Indigenous community, should be fully protected. When it comes to Indigenous communities in the Northern Territory, the reason we on this side of the House, amidst a whole lot of controversy at the end of last year, supported the Northern Territory intervention was the findings of the report Little children are sacred. As I said at that dispatch box on the day that the Prime Minister at the time announced the government’s intended intervention, my response was entirely shaped by the extraordinary findings within that report about the incidence of child abuse. That drove our support for the Northern Territory intervention. That drives our continued support for that intervention. It drives our determination to review the outcome of that intervention by the 12-month point.

Dr Nelson—Mr Speaker, I rise on a point of order regarding relevance. The question is: will the Prime Minister discipline his Labor Party senator from the Northern Territory and apologise for her deplorable remarks trivialising the sexual abuse of 50 Aboriginal children?

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

Mr Rudd—As I said before, I have not seen those reports, but I state on behalf of the government and, I believe, of the opposition: from our point of view on this question there is zero tolerance and we will deploy every resource necessary in the Northern Territory and elsewhere to combat at every level any incidence of child abuse, including child sexual abuse, because it is repugnant to all decent human beings.

Ms Julie Bishop—Mr Speaker, I seek leave to table the Senate Hansard where Senator Crossin said ‘only 50’ children and that it was ‘severely overstated’.

The Speaker—Is leave granted?

Mr Albanese—You cannot table Hansard.

The Speaker—Leave is not granted.

Mrs Mirabella—You are giving immunity to your lame ducks.

Mr Crean—Oh, Sophie is away! How is the cheese, Sophie?

The Speaker—The Minister for Trade will cease interjecting.

Economy

Ms King (3.28 pm)—My question is to the Assistant Treasurer. What action is the government taking to ensure Australian consumers are not being ripped off by cartel conduct? How does Australia’s policy compare to international best practice and why is this reform urgent?

Mr Ciobo—When will petrol prices come down?

Mr Dutton interjecting—

The Speaker—I say to the members for Dickson and Moncrieff and the member for Dunkley, who was not interjecting at the
time: the missing member of their quartet has been the best behaved this week.

Mr BOWEN—I thank the honourable member for Ballarat for her question. Cartels are the undermining of the market economy to rip consumers off. This government is serious about promoting competition to ensure that consumers receive the benefits of the market economy. On 11 January, I released draft legislation to introduce jail terms for cartel conduct in Australia. The legislation provides for jail terms of up to five years for serious cartel conduct. I also released a memorandum of understanding between the ACCC and the Director of Public Prosecutions about how prosecutions under this new regime would operate. In addition, I released a discussion paper dealing with the more controversial and vexed issues in relation to this matter—most particularly, whether dishonesty should be included as a necessary element for the ACCC to prove in serious cartel cases and whether the Federal Police should be given telephone tapping powers on behalf of the ACCC in investigating serious cartel cases. Interested parties have now made their submissions to the government and we are working through the issues before determining how the draft legislation could be best improved.

Nobody said this reform would be easy or that it would be without its challenges, but these issues should be worked through in an open and transparent manner, and they are not a reason for sitting on your hands and doing nothing. In opposition, we indicated it would be our aim to pass this legislation within 12 months of taking office and we are working towards that commitment.

I was asked by the honourable member for Ballarat why this reform is urgent. This reform is urgent because the previous government failed to act. This reform is urgent because it is consumers and small businesses who suffer from cartel conduct. This reform is urgent because it was recommended to the previous government in 2003 by the Dawson committee of inquiry. The former Treasurer, the member for Higgins, indicated in February 2005 that the previous government accepted the recommendations. This reform is urgent because the previous government negated on its commitment and the previous Treasurer went back on his word, and they did not introduce this legislation. That is why this reform is urgent.

The honourable member for Ballarat also asked me how the current policy relates to international best practice. I can report to the House that Australia is one out. Almost every OECD country—and countries we normally compare ourselves with—have acted on this necessary reform. The United Kingdom has jail terms of five years. The United States has jail term of 10 years. Norway, Taiwan, Brazil, Israel, Canada and France all have jail terms for serious cartel conduct. The Slovak Republic has jail terms for serious cartel conduct. I am sorry that our esteemed colleagues from Estonia have left the gallery. They could have confirmed for the House that Estonia has jail terms for serious cartel conduct. If you operate a cartel in Kenya, you go to prison for three years.

This reform escaped Peter Costello’s Australia. They were asleep at the wheel and they neglected this important pro-competition reform. This reform is urgent because the previous government received 15 warnings from their own regulator, the ACCC, that this reform was necessary. It sounds familiar, does it not? I table these 15 warnings from their own regulator, the ACCC, saying this reform was urgent and necessary to ensure that consumers are not being ripped off. The member for Higgins sat on his hands and let it rot, and refused to act. No wonder the chairman of
the ACCC welcomed the new government’s steps to introduce this measure. He said he was:

... absolutely delighted. I think this is a significant step forward for the prosecution of competition policy as far as Australia’s concerned. This is my high point for 2008. It is fantastic. I have been waiting for this for a very long time.

It is a pity he had to wait so long. It is a pity he had to wait for the member for Higgins to lose office before a government came into office which actually cares about competition and consumers in this country. It is a pity Australian consumers had to wait for so long to have the benefit of a government which cares about them and cares about competition. We will continue to implement these reforms—reforms the previous government and the previous Treasurer did not have the wit to do.

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

PERSONAL EXPLANATIONS

Mr Turnbull (Wentworth) (3.34 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr Turnbull—Yes, grievously, and the Prime Minister should listen to this.

The SPEAKER—Please proceed.

Mr Turnbull—Twice in question time the Prime Minister said, ‘What I find remarkable about this entire exchange, Mr Speaker, is that the newborn party of compassion, which lodged its birth notice last Friday, registered its death notice with its earlier remarks by the member for Wentworth, saying that working families do not deserve a decent outcome when it comes to the minimum wage.’ Every member of this House, including the Prime Minister, who does not have the guts to listen, knows I said nothing of the sort—

The SPEAKER—Order! The member must show where he was misrepresented.

Mr Turnbull—but, instead, asked a question of the Prime Minister as to why the government lacked the courage to make any submission to the Fair Pay Commission about the outcome—

The SPEAKER—Order! The member will resume his seat. Unless he shows where he has been personally misrepresented and does not debate the issue—

Mr Turnbull—Mr Speaker, I am not debating it.

Mr Albanese—You’re not debating it?

The SPEAKER—The Leader of the House will resume his seat. The member for Wentworth must not debate the issue but must explain where he has been misrepresented.

Mr Turnbull—Mr Speaker, that is precisely what I am doing. I have detailed the misrepresentation the Prime Minister made twice and I am now saying what I said. With your permission, Mr Speaker, I would like to complete the personal explanation which I am entitled to give.

The SPEAKER—How long does this quote from yourself go for?

Mr Turnbull—Mr Speaker, it is nearly finished.

The SPEAKER—The member will wrap up his personal explanation now.

Mr Turnbull—Thank you, Mr Speaker. The question that I asked sought to find out from the Prime Minister why the government had decided not to make any submission as to the outcome—

The SPEAKER—Order! The member will resume his seat.
Mr ALBANESE (Grayndler—Leader of the House) (3.36 pm)—Mr Speaker, I wish to make a personal explanation.

The SPEAKER—Does the Leader of the House claim to have been misrepresented?

Mr ALBANESE—I do, Mr Speaker.

The SPEAKER—Please proceed.

Mr ALBANESE—During question time, in a question from the Leader of the Opposition to the Prime Minister, the Leader of the Opposition quoted a question from Steve Price and the answer from me. He quoted the following question: ‘So the commitment is that the $1,600 carers allowance and the $500 pensioners bonus will be paid as cash this financial year?’ The Leader of the Opposition stopped there, Mr Speaker. He was able to read on but he chose not to read the full question, which ended with ‘and for how many years ahead?’ That was the question that I answered.

DOCUMENTS

Mr ALBANESE (Grayndler—Leader of the House) (3.38 pm)—Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings.

MINISTERIAL STATEMENTS

Fertility Policy

Ms Macklin (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (3.38 pm)—by leave—The Australia many of us grew up in can seem like a different place to the one that exists today.

The pressures of increasing costs of living and too little time are the driving forces in working Australians’ lives. The ways Australians work, live and plan for the future have radically changed. Australians are working harder than ever but they have been seeing little return for their toll. There is less and less time for the things that make us Australian—community, family, friendship—as working Australians are caught up in the daily grind of financial stress and work and family strain.

One of the harsher aspects of these changes relates to the place of children. Children, who all of us know are Australia’s most precious asset and the light that brightens so much of our lives, are increasingly seen as a burden. Children are increasingly being viewed as carrying an impossible level of responsibility and compromise for parents.

Working families are choosing not to have children because they believe the obligations of children exceed their capacity to meet these obligations.

The birth rate has dropped from 3.5 babies per woman in the early 1960s to 1.84 a decade ago. This increased a little to 1.86 babies per woman in 2006. Unfortunately, that is not even at replacement levels.

Research published just last month from the Australian Institute of Family Studies reveals that the ongoing pressures on working families are preventing many women from having children.

Australian families are not having babies—not because they do not want to but because they do not have the confidence to. They do not believe that social and labour force systems will support them if they do have another baby.

The Fertility and family policy in Australia study reveals that fertility rates are at close to the lowest ever level in Australia and are below the level required for population replacement.

We all know that that in itself is not news. Everyone in this House knows that Australia does face a fertility problem. And we are all aware of the potentially damaging long-term
economic and social consequences. Australia’s falling fertility rate is a massive challenge that has been facing our country for years. The former government did become aware of the issue: we saw a flurry of reports from them and we were subjected to the repeated battle cry from the member for Higgins that ‘demography is destiny’.

However, for all the chest-thumping that we heard from him, it seems that the former government fundamentally misunderstood the basis of the policy challenge before them.

Measures like the baby bonus did provide some financial support to help with the initial costs of having a baby but unfortunately have not been enough to effectively tackle low fertility rates. More needs to be done.

What the Fertility and family policy in Australia study reveals is that most of the people surveyed actually want to have more children. Very few considered no children or one child their ideal number of children.

Their decision to not have children was also influenced by other factors including difficulties in accessing child care, job insecurity and the cost of housing.

But even in good economic times couples lacked the confidence in their ability to create and maintain a family environment which provided emotional and financial support for children.

Working families do say that they want to have more children. They just do not have confidence in their ability to cope.

What this shows us is that old-style policies and the old ways of doing things certainly have not worked when it comes to addressing this very serious issue. In fact, I think we could say that the old ways of doing things have created a baby-intolerant society.

What we are embarking upon is designing policy settings to support families who want to have children. Working families are crying out for better support, particularly during those life transitions, so that they have the confidence to have children if that is what their choice is.

Support systems need to address the realities of modern Australian life. What it is calling for is fresh ideas and new perspectives on how to tackle this problem.

The new government certainly are not frightened of looking at or testing any of the new ideas that we need to look at. We are prepared to look at the options that should be examined to address what is a very serious challenge facing the nation. We know that if we are to build a stronger future for our country then that is what we will need to do.

Key to that, from our point of view, is making sure that a child centred approach is the way forward for family policy. In my view, the best interests of children must be at the very centre of social and family support. That is why we have been hard at work implementing our election commitments.

In particular, I want to refer today to the referral that the Deputy Prime Minster, the Treasurer and I have made to the Productivity Commission, asking them to examine ways the government can provide improved support to parents, particularly those parents of newborn children. Any policy reforms in this area will be aimed at making sure that we have strong and sustainable economic growth, taking into account our ageing population and the importance of early childhood development and supporting Australian families to balance work and family responsibilities. We do want to explore ways to make it as easy as possible for working mums and dads to balance their employment with the important job of raising a new generation of Australians.

The Productivity Commission is uniquely placed to advise the government on the best way to balance economic considerations with
the aspirations of working families. We have asked the Productivity Commission to look at the economic and social costs and the benefits of paid maternity, paternity and parental leave. We certainly know that fertility issues do not start and end with paid maternity or paternity leave. We know that, with the wide variety of families in Australia, there is no one-size-fits-all solution, but it is certainly true that working families do need a range of new options to suit their needs.

The Productivity Commission will conduct a thorough examination of these issues and has been asked to report by February 2009. Public hearings will be held and submissions from the public will also be sought. The government will release the report once it is received. I think it is very important, when we see the findings of the inquiry, that the government is able to act to improve family policy to help build the modern Australia that so many families are looking for.

As I said before, family support must be geared to the best interests of children and to building stronger families. The government is certainly hard at work implementing our commitments and testing ideas to make sure that occurs.

Mr GRAY (Brand—Parliamentary Secretary for Regional Development and Northern Australia) (3.47 pm)—by leave—I move:

That so much of standing and sessional orders be suspended as would prevent the member for Warringah speaking for a period not exceeding eight minutes.

Question agreed to.

Mr ABBOTT (Warringah) (3.47 pm)—Let me say at the outset that I do believe that the Minister for Families, Housing, Community Services and Indigenous Affairs is a decent person who sincerely wants to do the right thing by the people of Australia who are impacted by her portfolio, but I have to say that she has just delivered perhaps the most contentless ministerial statement in the history of this parliament. We have had the former leader of the Labor Party, the ex-member for Werriwa, describe the Rudd government as a 'circus of symbolism'. I am afraid we have had a lot of recycled platitudes from the minister sitting opposite. All she has done with this statement today is reannounce a Productivity Commission inquiry. She did not need to take up the time of the parliament to do this and I regret the fact that she has delayed the MPI by a quarter of an hour.

Of course we all want to see more children in this country and we all want to improve the environment in which those children live. But, if we want more people to become parents, let us stop telling them how hard it is to be a parent. Let us not talk down being a parent. In particular, let us stop talking down motherhood and let us stop thinking less of mothers than we do of workers. Let us stop thinking that the only work which really counts is paid work. I very much admire women who hold down difficult and demanding jobs. I particularly admire women in those jobs who also have children.

Government members interjecting—

Mr ABBOTT—I might say—because I am invited to by the interjectors opposite—that I respect the work that the ministers opposite do in this area. But we should never allow our admiration for women in paid work to overwhelm our respect and appreciation for motherhood, pure and simple. That is the big gap in the statement that the minister for families has just made to the House.

In the printed statement which I was given a couple of hours before question time, the minister attacked the former government. In particular, she attacked the former government’s baby bonus. She said:
… for all the chest-thumping … it seems that the former Government fundamentally misunderstood the basis of the policy challenge before them.

The baby bonus is by far the most significant financial recognition that mothers in this country have ever had. If there is one thing that is responsible more than anything else for the welcome uptick in fertility over the last few years, it is that baby bonus. The slighting way in which the minister refers to the baby bonus in the printed statement provided to my office before question time makes me wonder whether this too might not be revised, amended or improved out of existence in the same way that the carers and seniors lump-sum payments have been under threat from this government.

Do we need another inquiry here? Do we need a Productivity Commission inquiry to cover much the same ground that was so well covered by my colleague Bronwyn Bishop’s committee report late in 2006? I have to say that I doubt it very much. It is perhaps typical of this government that, rather than give a substantial statement of where they stand and what they will do, they have simply announced another inquiry. Perhaps asking the Productivity Commission to look at this issue might alert the econocrats of this country to the importance of motherhood, but I very much fear that they will just tell us how we cannot afford it and how difficult and expensive it is. I regret to tell the House that the minister’s statement was a motherhood statement in every sense of that phrase—not something we really needed today.

MATTERS OF PUBLIC IMPORTANCE

Health Services

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

The need to provide the most vulnerable Australians with practical access to adequate health services.

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

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

Mr HOCKEY (North Sydney) (3.52 pm)—Dental disease is a grave problem for many poorer Australians. Thirty per cent of Australians avoid dental care due to cost and 20 per cent avoid treatment specifically recommended because of cost: 25.5 per cent of Australians have untreated dental decay; one in six Australian adults are limited in what food they can eat because of their teeth; and 50,000 Australians are hospitalised each year with preventable dental disease.

Dental disease is most prevalent in poor and disadvantaged people who, I might say, stood to benefit the most from our Medicare dental rebate scheme, the scheme that the Labor Party has now abolished in the dark of night with a press release—only on a departmental website rather than on the minister’s website itself. Statistics show that people with higher incomes are more likely to see dentists for preventative services such as scale and clean, while poorer people need more treatments.

For diabetics, people with heart disease and particularly those with HIV-AIDS, dental disease makes the illnesses worse. Cancer treatments can affect the teeth and gums. People with tooth abscesses and cracked teeth are often in chronic pain and may not be able to see a doctor. And, of course, tooth pain can stop people from eating properly and cause malnutrition. Some medications also affect teeth. Being elderly and having
problems with arthritis in your hands or having dementia can affect your ability to clean your teeth properly, making dental problems worse.

It is true that in 1996 the then coalition government refused to continue with a lapsing federal government program which was assisting the states in helping to address the backlog of people waiting for dental treatment at hospitals. The strong view taken by the previous government was, given that it was the financial and policy responsibility of the states to provide dental services, those states had an obligation to fulfil their obligations to individuals, particularly those most in need.

When we had the capacity in the budget to provide additional services, the government of the time responded. That is why a scheme was introduced by the Howard government, which commenced in November of last year, where individuals could receive treatments of up to $2,125 per year or $4,250 over two years. There were no restrictions on what the dentist could do; it was just work up to that value. It was an identifiable Medicare item number—a Medicare rebate that was available for those people most disadvantaged by severe dental problems. For the first time Medicare accommodated the needs of those individuals. Those individuals went to see their doctor, their doctor put in place a proper program to assist with the management of the dental problem, they were then referred to a dental specialist or a dental prosthesist—of the choice of the patient—and that treatment was provided, up to a value of $4,250.

The so-called caring, compassionate Rudd government abolished that Medicare rebate and put in place a system that provides no dental treatment. I say to the minister, through the Speaker: there are real people behind this. One of them is Mr Chris Planer. I quote from the Sydney Morning Herald of 12 March:

Chris Planer, who lost his nose to cancer, has experienced the health system’s lack of logic.

He has undergone life-saving surgery at no financial cost.

Three years ago, Mr Planer, 28, was diagnosed with ... carcinoma in the floor of his nose and roof of his mouth.

The result was a 16-hour operation ... Then, in the same marathon procedure, plastic surgeons reconstructed his face ...
Mr Planer also required chemotherapy and radiotherapy – which triggered the need for further plastic surgery. The radiotherapy had burnt a hole in the top of his new nose.

The article continues:

... the fierce anti-cancer treatment has damaged his dental nerves. This, along with the impact of a plate in the roof of his mouth, means he needs monthly visits to the dentist.

The treatment he received has made his teeth more vulnerable to decay and more likely to need expensive root canal treatment.

That routine can run into hundreds of dollars a month...

Mr Planer and his wife have just had a young baby, William, and they are wondering why the $4,250 plan and treatment that has been provided by the federal government has left them with no options at all. This government has abolished that plan. What does the minister for health say to Chris Planer—a real person who has had cancer treatment, who has severe dental issues and who now has nowhere to go as a result of the abolition of the Medicare rebate by the Rudd government? This is fiscal conservatism?

We wonder what the government’s motives are when they attack carers. We wonder what their motives are when they attack pensioners. We wonder what their motives are when they attack Chris Planer and people like him who have severe dental problems. Do you know what this is? It is the Prime Minister trying to be a fiscal conservative. We are about to have the mother of all surpluses in Australian history and the Prime Minister—who has taken his eye off the ball on the micro detail of running the country so that he can head off overseas and swan around the Pacific—leaves carers and pensioners behind, with huge amounts of anxiety. They have been abandoned by his government. Now we find by going to the departmental website that a Medicare rebate service that in just two months provided 16,000 people with dental care that they never had previously has been abolished.

We know that the government is pretending to be something that they are not. They are heartless. They do not care about the individuals out there. They preach compassion, but they are trying to parade as fiscal conservatives. Fiscal conservatism comes not because you are heartless but because you make long-term decisions in the best interests of the nation. It is about standing up for the principles that beat in the heart of every Australian. They are principles such as compassion for those most vulnerable and support for those people who cannot support themselves—people who are the victims of injustice. It is not about picking on those people; it is about supporting them. It is about rewarding individual effort and about providing incentives for people to earn a buck when they want to earn a buck. It is about growing the pie rather than fighting over the share of the pie.

The new member for Dobell on the Labor Party side of the parliament belled the cat today. Mr Thomson is quoted in today’s paper as saying:

There are children in our suburbs who are living in pain because their parents cannot afford their dentist bills ... There are elderly people who do not go out because they are embarrassed about their chronic teeth problems.

These issues should have been addressed by the state Labor government. It failed to address them. The Howard government introduced a $4,250 rebate to help these people specifically, and one of the first things that ‘Old Chopper’ Roxon does is chop out the Medicare rebate for those who are the most vulnerable.

The DEPUTY SPEAKER (Ms AE Burke)—The member for North Sydney will refer to ministers appropriately.
Mr HOCKEY—As the member for Dobell said, he is going to fight for ‘dental under Medicare’. Amen, I say to the member for Dobell. But he should have said that one, two or three weeks ago or before the election. He should have said, ‘I’m going to fight to keep dental under Medicare.’ He does not need to fight us about it. He does not need to fight Medicare about it. He does not even need to fight those who are vulnerable in his community about it. He needs to fight the minister and the Prime Minister—the same two people who have taken away real treatment—not consultation—that addresses dental problems for those who are the most vulnerable.

It is no wonder that Dr John Matthews, President of the Australian Dental Association, said that the Labor Party’s approach is ‘patchy’ and ‘piecemeal’. It takes a lot of courage for representatives of non-government organisations to speak out only three months from a change of government. It takes a lot of courage for individuals to do that. Dr John Matthews said that the approach of the new government is patchy and piecemeal—and I am sure that behind the scenes he is a little more effusive in his criticism.

It is the practice of this government to run a smokescreen. It is interesting, isn’t it, that they say one thing and do another? They say, for example, in the glossy press release with a happy smiling Prime Minister and a happy smiling minister for health at the top that they are providing $360 million over three years to the Teen Dental Plan. Then, in what can only be described as a dour press release that sits on the departmental website, they kill off the Medicare rebate.

Of course the Labor Party continue to be damned by their own words. The best illustration of this is private health insurance. Hypocrisy be thy name, Minister. We remember that, only a year ago, the Minister for Health and Ageing—the minister at the table—said that an increase in private health insurance premiums that was higher than inflation was not good news. A year ago the minister said that a 4½ per cent increase was an issue that justified holding the government to account. She said that a 4½ per cent increase was outrageous and that it was going to have an impact on ‘working families’. However, the first decision she makes in relation to private health insurance is to approve a five per cent increase, which is higher than inflation and higher than health inflation.

This is hypocrisy of the Rudd government. This illustrates what they do: they say one thing and they play cute games—be it on carers, on pensioners, on those people most vulnerable—or on Chris Planer. They are playing with the hearts and souls of those who are most vulnerable, and they are doing it because they want to pretend to be fiscal conservatives. Minister, I say to you: if you want to be a fiscal conservative, protect those who are most vulnerable and stop wasting government money on initiatives such as the Tree of Knowledge, which is a dead tree that the Labor Party is spending $2 million on, or a dinosaur museum, which the Labor Party is spending $1 million on. Do not leave those who are most vulnerable alone. Put in place a dental scheme that helps those people with the most severe dental problems. (Time expired)

Ms ROXON (Gellibrand—Minister for Health and Ageing) (4.08 pm)—I thank the member for North Sydney for raising this matter. It is disappointing that other members are leaving because I am going to take the shadow minister through exactly what is happening with dental care. I found a quote that he gave not that long ago to the Medical Observer about taking on the role as the shadow health minister. He, rather frankly—

CHAMBER
and I totally understand; when I became the new shadow minister I had this feeling as well—said that he would ‘ask the stakeholders forthright questions about things I neither understand nor am fully informed about’. Fair enough, but what is clear is that he neither fully understands nor is fully informed about the government’s approach to dental care.

I am going to take him through exactly what we are doing and why, because I understand many people in the community are affected by this decision. I understand and very much sympathise with the position that the shadow minister raised of the individual who has had cancer and a whole range of treatments, none of which, I might add, would have been covered by the government’s dental program.

Mr Hockey—Yes, they would have.

Ms ROXON—The shadow minister is quite wrong. Cancer treatments and the other treatments are not covered by the dental program. I am going to take the shadow minister through the government’s reasoning for closing down the dental scheme. Let us get a couple of things straight. The shadow minister alleges that this program has helped 16,000 people in two months—wrong. This program has helped 15,000 people in four whole years.

Mr Hockey—No, no, no.

Ms ROXON—Yes. I hate to tell the shadow minister that these figures are available. They have been released. They were released by the previous minister. This program helped 15,000 people in four whole years, including not a single child or person under the age of 24 in the Northern Territory and not a single child under the age of 14 in South Australia. I can go through example after example. I listened to the shadow minister attentively for a period of time and I am trying to answer his questions, because I think there is a legitimate debate about the way we provide dental care to the community. I want to take the shadow minister through why the decision was made to close down a failing program that, we understand, helped some people—and we do not pretend that it did not.

The problem is that it was not a targeted program, it was not a successful program and—a point that was made by the shadow minister—the poorest people with the worst health did not get access to it. If you were simply poor and had bad dental health because of your poverty, because you could not afford to go to the dentist, you could not get treatment under this program. If you were extremely wealthy and had a serious chronic disease, you could get access to this program. It was not targeted. It did not help those most in need.

We agree that it helped some people, but we made a decision, as governments need to, about the way we can help the most people. The shadow minister will need to get into his head—because no doubt we will be debating this for months to come—that our $650 million program has two components to it that will be targeted particularly at those people whom he alleges the opposition is worried about: the poorest with the worst dental health, who are those in most need of support.

Our program has two parts. The part that the shadow minister wants to focus on is the $150 for teenagers—about 1.1 million or 1.2 million teenagers will be eligible for this. It is a component of Medicare. It is paid under a teen dental scheme program. It is going to ensure that we encourage people before they have serious dental problems. Of course, we know that some people have serious dental problems earlier on, but the majority get their problems later in life. We are going to encourage teenagers to care for their teeth.
properly—to get annual check-ups. We are going to try to ensure that they maintain their teeth in good condition by investing early on so that any problems that might arise do not get worse further down the track. That is one important down payment where we are investing in preventative care. We are going to improve people’s health long term and we are setting up infrastructure under Medicare that allows people to get their teeth checked.

The second important part of our program, which the shadow minister totally ignores, is the $290 million which is going to re-establish the Commonwealth Dental Health Program. In consultation with the states—the sum of the details is still being worked out—it is going to ensure that those who are the most needy, the poorest in our community with the worst dental health, will get the assistance they need through our public dental services.

The shadow minister can come in here time and time again—as we heard those opposite do when they sat on this side of the House—and criticise state governments for not being able to deliver the dental care that so many people in the community need. We agree that they need to do better but, unlike the previous government, we are prepared to do our bit in helping them to do better. They service the poorest of the community, they service the concession card holders and they service kids. They are often the only people in the community who treat people with the most chronic conditions. There will be examples here and there of people who benefited under the previous government’s program, but there will be many more millions of people who will get assistance under our program, which is better targeted, is means tested and is going to provide services, particularly to children, who so spectacularly missed out under the previous government’s program.

Let me just make the point—and I have made it in the House before—about the Northern Territory: we know that we have some of the poorest, most marginalised people in our Indigenous communities in the Northern Territory and they have some of the poorest dental health outcomes. This program over four years—and I wonder whether anyone on this side of the House can guess how many people in the Northern Territory got assistance under the previous government’s program in four whole years?

_Government members interjecting—_

**Ms ROXON**—It is hard to guess because everyone on this side of the House already knows that no-one under 24 got assistance. Not a single child born during the period of the Howard government got any assistance during the period of the Howard government—not a single child.

_Hockey interjecting—_

**The DEPUTY SPEAKER (Ms AE Burke)**—The member for North Sydney was heard in silence.

_Hockey interjecting—_

**The DEPUTY SPEAKER**—And the member for North Sydney is under a warning.

**Ms ROXON**—The member can be assured that these figures are current as of January 2008, so there is only one month of data that is not yet available. In four years to January 2008, 17 people only in the whole Northern Territory got help from this program. We know that hundreds of thousands of people will get help from our program in its very early days.

Of course there are difficult choices. Of course there are some people who will be disadvantaged. But we have made a decision that assisting probably two, three or four million Australians to get better dental health care over the period of this commitment and
to get good preventative care, which makes sure that they do not have more severe problems later in life, is a good investment for our money. We are not afraid of that, and we are not walking away from that.

There is a question, however, that I know some members on this side of the House want clarified. This has been made publicly available. This was not in the dark of the night; this has all been announced. Any of the people who are currently receiving assistance under the previous government’s program will be able to continue to complete their treatment until 30 June this year. We are making sure that people who have been referred by their doctors to their dentists, who may have already had some teeth removed and who may be waiting still to have restorative work done, will be able to have that work completed by 30 June. We have notified the dentists. We have notified the doctors. We have had advice from the dentists that a three-month close-down period is an adequate amount of time for people to receive their treatment.

As of 30 March this year, new people will not be able to enter the program. This was an election commitment. We were elected clearly stating that we would close this program and institute what we think is a better targeted program which is going to help more people and particularly help more people who cannot get to the dentist because of cost. We make no apologies for doing that.

So I do not want to come in here and be lectured by an opposition who did nothing about dental care for 11 years, who at the last minute decided to introduce a program which was a spectacular failure, not servicing those people in the most need, and who then come in here and distort the numbers of people and pretend that suddenly they are the friends of those hundreds of thousands of people who cannot afford dental care. Week after week, we sat in this parliament and were lectured by the previous government, who said that this was all the states’ fault and they were not going to do anything about it. We are going to play our part in fixing this problem. We are going to do it with the state and territory governments, and we are going to do it with the support of families that we will be assisting.

I also want to make clear to the member opposite, who seems to take great glee in the fact that private health insurance premiums were increased by 4.99 per cent, that we take no joy in that fact. Of course we know that this hurts people. Any increase, in the current environment, hurts people. But my obligation under the legislation, as the Minister for Health and Ageing, was to assess what the minimum increase necessary was—something that the previous minister for health never did. He always just rubber stamped—tick and flick—and approved any sort of increase that was put before him. And, while the shadow minister is swanning around complaining about the premium increase this year, I might remind the member opposite that the cumulative figure of the increase in private health insurance premiums over the life of the previous government was 89.24 per cent. Again, do not come in here in opposition and lecture us on the period of your government, Shadow Minister. If you would like the average, the average from 2002 is 6.7 per cent.

Mr Hockey—What about the 30 per cent rebate?

Ms ROXON—The 30 per cent rebate, as the shadow minister knows, is supported by the Rudd Labor government. It was supported at three elections, and it is being honoured, as promised, by the Rudd Labor government. I am quite happy to come in here and debate the shadow minister on any health issue that he is interested in debating,
but I think, if we are going to do it, let us be honest with the community. There are choices that have to be made about the way we want to invest in our health system. There are choices that have to be made about what is setting up the system long term for the future.

We have started to build a future in the health system that people have not seen for many, many years because there was a national government that refused to be involved in long-term planning. Whether it was workforce, whether it was dental care, whether it was restructuring the relationships between the states and the Commonwealth—any example—the previous government walked away from those discussions. We are not going to walk away from those discussions. We are going to do the proper planning. We are going to make some hard decisions, of which this is obviously one, but we will be making those decisions based on how many people we can help, who are the most in need, where we are planning properly for the future and how we make sure that every health dollar, whether it is spent by the Commonwealth or spent by the states, is going to go to those who most need it—and we are going to make sure that our system is sustainable.

We can have a debate about the needs of the vulnerable, but unfortunately the members opposite do have to live by the record of their previous government. The shadow minister who now has responsibility for health has already become an expert because of his previous job and the way in which he dealt with those who were most vulnerable. If he wants to now pretend that he is the champion of the vulnerable, he has a lot of history to rewrite about what he did in Work Choices, bringing that baggage with him to this health portfolio. So do not come in here and lecture us about the choices that we have made that are going to help millions of Australians to get better dental care and that are going to set up a system long term that will be sustainable and will ensure that everybody into the future gets the access to the health care they need, because people—as the Prime Minister has said—simply will not believe you, Shadow Minister. They simply will not believe you.

There are many other things that we are proud of that already, in our first 100 days, we have provided in health care. This is the first time ever that the Commonwealth government has put money into reducing elective surgery waiting lists around the country. That decision of the Rudd Labor government is going to benefit 25,000 people.

Mr Hockey—Give us the formula.

Ms ROXON—I love the shadow minister on this. He really wants to know how we made the decision about where the money was to go between the different states. I know why you are so intrigued about this. The process that we used to work out where the money would go is called negotiation. It is a process that is a mystery to those sitting opposite, because both the previous ministers, who were just zealots about industrial relations, have never heard of negotiation. They do not know what negotiating with the states is about. It is not a secret. It is not a secret that we were prepared to sit down with our state and territory colleagues, look at their population needs, look at their waiting lists, look at the money that there was and actually negotiate with them. There is nothing wrong with that. There is nothing wrong with sitting around a table and talking to state and territory health ministers about how together we will help hundreds of thousands of people around the country. That is what we did. I understand why it is a mystery to you, but I will tell you: it is delivering a lot more for working families.
Mrs HULL (Riverina) (4.22 pm)—I am in awe—maybe I am gobsmacked—about what I have just heard coming from the Minister for Health and Ageing at the dispatch box. The fact is that the program that we speak of was not in place for four years. It is simply not true to say that is the case. In fact, the minister’s own department has come out and, in a ‘Notice to general practitioners’, told them:

Discontinuation of the Medicare Dental Items for People with Chronic Conditions and Complex Care Needs (Items 85011-87777)

... introduced by the previous government in November 2007, are to be withdrawn from the Medicare Benefits Schedule.

It was not four years.

When the Health Insurance Amendment (Medicare Dental Services) Bill 2007 was introduced into this House I welcomed it. I said:

This bill provides some much needed services. From 1 November 2007 new dental items will be introduced to the Medicare Benefits Schedule.

It is simply not true to state, Minister, that this program has been running four years and is a dismal failure. She told, in fact, another slight untruth. The minister stated at the dispatch box that a GP referral would continue to allow access to this program until 30 June 2008, when the department, on issuing the above advice to general practitioners, quite clearly outlines:

A GP referral dated before 30 March 2008 is not, by itself, sufficient for a patient to be considered to have commenced treatment.

That is a fact; that is what the department has put out. Referrals have been declared not, by themselves, to be ‘sufficient for a patient to be considered to have commenced treatment’.

The serious thing is that the minister thinks that three months, from the end of March to the end of June, is enough to overcome the waiting lists in rural and regional Australia. If the minister thinks that three months is sufficient to do that in the electorates of Riverina, Cowper and many others—I think the quote was ‘in consultation it was considered sufficient time for people to get adequate treatment under this program’—then she is seriously, seriously out of touch.

The other issue is that these people, as the minister has just indicated, are obviously going to be forced into a state and Commonwealth system, when it is a fact that only 10 per cent of the dentists are in the state system. There is no hope for people who are currently suffering because of this shortage. In the last few days, forward estimates have been declared to be not an issue, although they were an issue to the extent that if the forward estimates did not include the carers bonus then the carers bonus certainly would not be guaranteed. But isn’t it funny that, over the years, what we had coming from the other side of the House—when we were in government and the current government were in opposition—was the constant cry about the Keating dental program? They said: ‘Remember that rotten government that was over there?’—the past government—‘They slashed the Keating dental program. They tore it away; they took it away; they removed it from the Australian people.’ But it did not matter that that was not in the forward estimates. It did not matter that it was a sunset program, to sunset in 1996. There was nothing in the forward estimates—isn’t that the funny thing? It is not ‘do as I do’; it is ‘do as I say.’ There is one rule for one and one rule for the other. When you were in opposition, it was amazing that it was slashed and not in the forward estimates. Now you are on this side of the House, it does not matter that things are not in the forward estimates: ‘If it’s not there, then we don’t have to fund it. Thankfully, it wasn’t in the forward estimates.’ That is a serious issue.
I would like to bring to the minister’s attention a letter that I have received. I can honestly say I do not know the lady who has written to me, but she has clearly identified the issue that we are discussing here today and that I am very concerned about along with the information that has been delivered at the dispatch box that is not correct. It says:

Dear Mrs. Hull

Attached is Minister Nicola Roxon’s office response (5/3/08) to my enquiry re what will happen when the MBS Dental Items are discontinued on June 30 2008. That Ministers office stated that only 15,000 people had taken up the services. I replied this program had only been in operation since November 1st 2007—not 4 years as incorrectly stated on their correspondence.

Again, the minister is putting out incorrect information. The correspondence continues:

The Federal Government quietly announced changes to the MBS Dental program on Sunday March 2nd. The decision to drop the MBS Dental item numbers will spell extreme difficulty for people who were at last able to access a huge range of dental services— including basic care through to bridge work and prosthesis—from their local dentist.

There is nothing in the press release from Minister Nicola Roxon that convinces me that her proposal is equal to or better than, the $4250/2yr program that started last November 1st 2007—not four years ago, and it says:

The Medicare November 07 Dental program has been the best program for managing the dental care of people of all ages with a chronic disease. ... it has been an inclusive program—

Remember, I do not know this person; I do not know the person’s politics or who it is—

This program has been open to children and adults ... able bodied and disabled alike and has been taken up by the local Dentists. It means local people get access to local Dentists. The patient doesn’t have to be in dental crisis to get access to dental care ... the care is planned with better patient outcomes ... the patient isn’t forced to access a public hospital dental clinic ... and wait years for minimal treatment. The 2007 Medicare Care Plan program puts responsibility on all the participants to work towards the best health outcome for the patient—and it gives the patient control over the process—treats people with respect.

$150 voucher per annum per 12-17 year old, is not really going to do much to assist the “Working families”

Dentists that I have talked with, who participated in a Commonwealth Dental Service “voucher” scheme, say it didn’t work for a number of reasons.

If, after confirming my advice to you, you feel as incensed as I that this program will go, then please, ask the question of the Minister ... What happens to those who maybe part way through their treatment—

The minister has already given us a non-factual answer at the dispatch box by saying that, if you had a referral from a doctor, you would be able to access your treatment until June 2008. In fact, her own department, in the correspondence it has sent out, says that is not the case. The correspondence continues:

And now anxious and distressed—they may not have the financial ability to complete their dental treatment ... the Minister needs to know what the end result will be for this section of the community ... the group that GP’s and Nurses manage with Chronic Diseases and dental needs, come July 08 Will country people be forced back onto regional public hospital/Dental clinic waiting list???

Judging by the response from the minister at the dispatch box, obviously they will. I repeat: only 10 per cent of dentists are working in the public health service. We are trying to address a very serious issue. It should not be addressed in a smoke and mirrors way. It needs to have truth and fact provided. (Time expired)

Ms RISHWORTH (Kingston) (4.33 pm)—I am surprised at the opposition’s proposal for discussion as a matter of public importance: the need to provide the most
vulnerable people access to adequate health care and health services. The previous Howard government’s record was poor. I would describe the previous government’s action as malaise at best. On their watch the number of GPs decreased significantly. In some areas of my electorate of Kingston there is one GP per 5,000 people. This means that many people are waiting up to three or four weeks to see a GP. If you cannot get in to see a GP, how are you going to access other services—specialist services, dental services and even allied health services like psychologists? The number of GPs has been declining over the last 11 years and the previous government did nothing about it.

The stories that I heard as I went around the shopping centres and the electorate were very clear. People wanted something done about GP numbers. In addition, they wanted something done about the decrease in bulk-billing services. I heard story after story of people who knew something was wrong with them but they could not afford to go to the doctor because of the lack of bulk-billing services in the electorate—that was if they could actually make an appointment to see their local doctor. The previous Howard government did not pay any attention to GP numbers or GP services and left the most vulnerable people at risk.

Then there are the elective surgery waiting lists. A significant number of people in my electorate who need new hips or knees have complained to me about how long they have had to wait. This has had a significant impact on their lives. They have not been able to exercise and engage in other preventative health strategies to maintain their general health. This is causing chronic long-term problems for them and their families. Often they rely on their families and friends to look after them. The previous Howard government did nothing about elective surgery waiting lists. It walked away and left people waiting for up to four years. It left the most vulnerable people unable to access this vital surgery.

In addition, as has been the general conversation here today, public dental waiting lists have grown enormously over the last 11 years. I visited Noarlunga, where the local dental service operates, and spoke to the people in the queue. They had waited months to get the first initial check and had been waiting years for treatment. They were frustrated and annoyed. One woman told me that she had had one treatment and required another treatment and she went to the back of the queue, waiting another two years to have her teeth checked. She did not have a chronic condition; she just had bad teeth and could not afford to see a dentist.

The previous Howard government ignored the plight of those people in our community who needed dental health care. They ripped the guts out of the Commonwealth dental health system and, as a result, many vulnerable people in our community cannot afford to go and see a dentist. They do not have a chronic condition but live with teeth problems which have exacerbated health issues and also psychological issues. A number of people said to me not having their teeth fixed not only upset them in terms of their health care but lowered their self-esteem. They were feeling vulnerable because they did not have the confidence to talk with people and get on with their lives. This has had a significant impact on people. On the Howard government’s watch, the public dental waiting list and the public dental health scheme were neglected.

Over the years the Howard government also reduced its funding to the states when it came to public hospitals. It did not index the amount of funding and did not adjust for inflation. As a result, the funding went, on average, from a contribution of 45 per cent to
This has left the states struggling, and electors in my area have made it clear that they want contributions from the Commonwealth. They have been very clear about this. They know that Mr Howard and his government let them down when it came to health care. They are very pleased that Labor have started discussing with the state governments how we can best cooperatively improve health care.

The Liberal Party has always been pushing towards full privatisation of the health system—a user-pays system, an Americanised system—where the doctor will ring the insurer before they undertake treatment. We have seen the other long-term planning of the Liberal Party and the previous Liberal government when they talked about the boards that were going to run their hospitals. They were going to have local boards to run their hospitals; that was their first policy position. Local boards were going to be paid, then they realised how much money that would cost, so they were voluntary local boards. This was no real planning; it was flip-flopping on health care and not talking about services on the ground. In contrast, Labor has a clear and long-term plan to ensure that we have adequate health care in this country and that it reaches the most vulnerable people.

Labor has announced GP superclinics, and I am very lucky to have one in my electorate. This initiative will provide adequate infrastructure to attract GPs to areas of need. It will focus on prevention and lessen the burden of disease. It will be intrinsically involved in training GPs so that we can boost GP numbers and ensure that they are servicing our communities. It will integrate allied health care, which is so important, to ensure that we are providing a holistic program when it comes to health care. It will include psychologists, podiatrists and physios. But the most important thing about these GP superclinics is they will be a localised response, responding to the community’s needs when it comes to health care.

In South Australia the state government has a model of a GP Plus clinic, similar to a GP superclinic. We have found that in the postcode where the GP Plus clinic is there is a 13 per cent reduction of presentations to the accident and emergency unit at the local hospital. This is a real improvement in ensuring that people are getting treatment when they need it and are not overburdening the hospital system.

In the last election, Labor announced—as the Minister for Health and Ageing has already mentioned—a big elective surgery package which will fundamentally reduce waiting lists. In South Australia we received in excess of $13 million, and many electors in my electorate have welcomed that. They see this as a true contribution to cooperative arrangements between the state and the Commonwealth governments and they believe it will make a difference.

In South Australia, in addition to addressing GP shortages, during the election the Rudd Labor government pledged $10 million to the Flinders Medical Centre to improve their training facilities. I am pleased that we will be honouring that promise by ensuring that the training facilities for medical students at Flinders Medical Centre, at Noarlunga medical centre and at the Repatriation General Hospital will be expanded so that we can train more doctors.

In addition, Labor has announced a dental care plan which will invest millions of dollars to address the problem of public waiting lists. It will ensure that those most needy will be able to get dental care. We are also taking a very proactive stance on preventative health. I am pleased about this, because the Howard government did nothing when it came to preventative health. We are looking
at preventative dental care for teenagers; we are looking at tackling binge drinking. These are both examples of preventative strategies, which were neglected under the Howard government. This is very important in ensuring that not only the burden of cost in health is reduced but also people live happier, healthier lives.

Labor are also doing a huge amount of work in encouraging nurses to get back into the workforce. Many nurses have left the workforce and it is important that we do attract them back. As I have mentioned before, we have a genuine commitment to work with the states to deliver the next funding agreement, ensuring that public hospitals are adequately funded. States will need to establish that the money is being spent well and that they are providing satisfactory outcomes.

I am disappointed that the shadow minister for health is not here to hear this. I would like to take this last moment to commend the minister for health on her proactive stance and commitment to health and also on turning up to debates on time, which is something that the previous health minister failed to do. I do commend the minister for—

(Time expired)

Mr LAMING (Bowman) (4.43 pm)—It is good to see that ending the blame game lasted about 11 milliseconds under the new regime! The dental care plans of 1996 were concocted by desperate Prime Minister Keating at the time, when we had reached that economic abyss, that dropping away abyss of $10 billion budget deficits. He dreamt up a tokenistic dental plan. For those on the other side who have probably long forgotten how small that plan was, it was only a fraction of what it cost to deliver dental services in this country. He, nonetheless, went ahead with it while he was looking at gaping budget deficits. Of course, it was not continued, because we had to get Australia’s economy back on track, and that was done over 12 years. Those on the other side will also have probably forgotten that in that dental plan we saw costs shifting straight out of the state dental programs as the federal money came in. So the extra dental services barely registered a blip on the waiting lists. Then remember that, while I cannot quote the Constitution, saying who is responsible for dental care, what we really had were state dental programs, Member for Kingston, run by the South Australian government with their emblem on it. Were you looking, while you were speaking, at who was providing the services? They were state government dental professionals. As they went around to the schools in dental vans, they had the South Australian emblem on the dental trailers. It was so obviously a state government service. In Queensland I saw it firsthand as they wound up the services.

I was called on Monday by Mrs J. from Cleveland, who said, ‘I used to get emergency state dental services at Redlands hospital but I’ve been told the rules changed.’ While our Prime Minister is flagging the ‘teeny’ dental plan, which involves a spit and polish and no serious treatment provided by the government for genuine dental needs, your state colleagues—your Labor mates—are simply winding up the state services. They are doing that as Mr Rudd comes in waving the flag for the new federal government. We have services disappearing at Redlands hospital; emergency services are vaporising. If you have a shattered molar, you simply join the months-long queue and hope something happens. I have got news for you: a waiting list on a state hospital service is usually a holding pattern. You either stay there forever and get gazumped by more urgent cases, you go private or you pass away. That is the reality for some of these waiting lists. We see that in Queensland reported in the public hospital stats, which were all
fudged before they were released by the state government in the Queensland public hospital performance report 2006-07. Elective surgery lists at the Gold Coast have virtually ground to a halt.

I am effectively wasting my time here reading out the achievements of the last 12 years—of the safety nets in PBS and MBS, of the huge shift of everyday Australian families to private health insurance. That is something that you have shown no support for. Of course, you nod to survive politically that you support PHI but you have never demonstrated any commitment to that policy. You did that in 1996 when we had the incentive scheme, in 1997 when we had the 30 per cent rebate raised to 40 per cent for seniors and in 2000 when we had Lifetime Health Cover. Minister for health, that is what shifted ordinary Australian families. It shifted 44.8 per cent of them—nearly 50 per cent of West Australians, and I can see the member for Stirling nodding, and 44 per cent of Queenslanders—to private health because they simply could not trust your colleagues at state level to run a health system. This blaming we all agreed was going to stop, but in the end the enormous injection of GST revenues did not register a blip in services at the state level. You may not have any experience in business. I notice that the member for Werriwa has disappeared, but he has some background in small business. The internal rate of return for giving federal money to your state colleagues is effectively zero. It will be very hard for you ever to get up here and justify the performances of your state governments when it comes to dental care.

The options for people really were to get private cover or to go away. That is effectively how they were treated. Many of you simply coalesced up from your state regimes to find a seat here when you realised there was a chance of being in government. But, in reality, where did you come from? You came from state regimes that would not support basic state dental care. We have those same issues in Indigenous Australia. We have really missed the point: most of the money that was not being delivered through Medicare services—as the minister for health will know—was part of COAG agreements with state and territory governments to ensure that dental services were delivered in the Northern Territory, not through the chronic disease item as you have described but through many other services. If you had been to Indigenous communities, you would know that dental services were being delivered. We have an enormous challenge coming to this parliament in the following days, where pornography is about to be returned and broadcast to the prescribed Indigenous communities. That will have a significant impact on the intervention. It is a very serious matter and it is one that you are supporting. (Time expired)

Mr GEORGANAS (Hindmarsh) (4.48 pm)—It intrigues me, coming into this place and listening to the opposition debate health care and especially dental care. For 11 years we heard silence from the other side. Continuously in this House the then opposition would ask questions about dental care, about what the government was doing and about how it was tackling the list of 650,000 people that were waiting for dental care and we heard silence. Every time it was raised—and we saw an example of this just now in the speech by the member for Bowman—they played the blame game. Again, they have reverted to that. Even in opposition, we see the blame game still being played out. For example, in a question in writing of 13 June 2006 to the then Minister for Health and Ageing, he was asked:

... will the Government reinstate the Commonwealth Dental Scheme, or introduce a comparable scheme ....

His reply was that, ‘No, the Commonwealth had no responsibility.’ He blamed the states
and then continued by saying that plans to assume extra responsibility in this area were zilch. The answer was, ‘No, no way.’ He wiped his hands and walked away from it. Today we see the opposition have the audacity to come in here and, as the minister said earlier, try and lecture the government on dental care. We constantly raised the issue of dental care, day in and day out, in the three-year term that I was here and constantly we heard the same answer. The answer was: ‘We wipe our hands of it. It’s not our responsibility.’ Then they would go on to blame the states. Even in opposition, even from the bowels of opposition, today we see the them again engaging in the blame game. That is instead of working together with the states and ensuring that we work hand in hand and complement one another in all ways wherever we can, especially in areas where the most vulnerable are in need. This is an area where the most vulnerable are in need.

The difference between their policy and our policy is that our policy, the $290 million policy, will give one million people the ability to see a dentist. Those one million people otherwise would not have the ability to see a dentist. Their policy was for people with chronic illnesses only. If your grandmother, who was aged in her 90s, needed new dentures but did not have a chronic illness, she would not have been able to access that scheme. The numbers are easy; we can all count. This policy means one million consultations. Compare that to the previous policy, where very few people met the criteria and were able to gain access.

What we on this side of the House are doing in government is ensuring a modern health system for a modern Australia. We need to ensure that we have reforms in place. The former government continuously, for 11 years, refused any form of reform to health. They were not interested in any sort of reform. It gives me great pleasure to be able to speak on the many initiatives that this new government is putting in place to ensure that the most vulnerable Australians have adequate access to health care. This Labor government recognises the need for greater investment in and reform of Australia’s health system. Over the last decade, we saw the amount of Commonwealth investment in health services drop; it dropped entirely across the nation for 11 years. Australians were left without the health services they required and the focus of the former Liberal government was on acute rather than preventative health care. The dental scheme for teenagers that the minister spoke about earlier is all about preventative measures. In the long term it will cost governments a lot less.

Like many countries around the world, Australia faces growing pressure on its healthcare industry due to our ageing population and changes in the delivery of healthcare services. The government is therefore faced with the daunting task of rebuilding our health system so that it can effectively service the needs of all Australians—especially those in greatest need—for decades into the future. This government has hit the ground running in the area of health care, delivering $2.5 billion of election commitments in the first few months of its new term. All of the announced initiatives have been designed to improve our healthcare system in the areas of greatest need. The government has demonstrated a commitment to invest in both preventative care and acute care as two separate aspects of our health system. The announced initiatives include many things—for example, allocating $150 million in federal funding to assist 25,000 patients, who otherwise would be sitting and languishing on waiting lists, to receive the elective surgery that they need by the end of 2008. By still working within the funding framework, it will deliver long-term—(Time expired)
Mr SNOWDON (Lingiari—Minister for Defence Science and Personnel) (4.53 pm)—by leave—I move:

That, in accordance with the provisions of the Intelligence Services Act (as amended), Mr Bevis, Mr Downer, Mr Dreyfus, Mr Melham and Mr Ruddock be appointed members of the Parliamentary Joint Committee on Intelligence and Security.

Question agreed to.

SOCIAL SECURITY AND VETERANS’ AFFAIRS LEGISLATION AMENDMENT (ENHANCED ALLOWANCES) BILL 2008

Returned from the Senate

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

TELECOMMUNICATIONS (INTERCEPTION AND ACCESS) AMENDMENT BILL 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 SNOWDON (Lingiari—Minister for Defence Science and Personnel) (4.55 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

DEFENCE LEGISLATION AMENDMENT BILL 2008

Report from Main Committee

Bill returned from Main Committee with amendments; certified copy of the bill and schedule of amendments presented.

Ordered that this bill be considered immediately.

Main Committee amendments—

(1) Clause 2, page 2 (table item 8), after “Parts”, insert “4A,”.

(2) Schedule 1, item 2, page 4 (lines 16 to 32), omit subsections 111B(1) and (2), substitute:

(1) At the commencement of dealing with a charge against an accused person, the summary authority must give the person an opportunity to elect, in accordance with section 111C, to have the charge tried by the Australian Military Court.

Note 1: If the summary authority is dealing with an accused person in respect of 2 or more charges (the linked charges) that arise from the same facts or circumstances, and the accused person makes an election to have one or more of the linked charges tried by the Australian Military Court, the summary authority must refer that charge or those charges and, unless the Director of Military Prosecutions agrees otherwise, any other linked charge to the Director of Military Prosecutions; see subsection 111C(3).

Note 2: If the summary authority is dealing with 2 or more accused persons together, the summary authority must give each accused person an opportunity to make an election in accordance with section 111C.

Note 3: If a charge is tried by the Australian Military Court because
of an election under subsection 111C(1), the charge will be tried by a Military Judge alone: see subsection 132AB(2A).

(2) Subsection (1) does not apply in relation to:
   (a) a charge of a prescribed offence; or
   (b) a charge of any other service offence that:
      (i) arises from the same facts and circumstances as a prescribed offence; and
      (ii) is being dealt with together with that offence; or
   (c) a charge of a Schedule 1A offence (other than a Schedule 1A offence covered by paragraph (b)), unless the accused person is:
      (i) an officer of or below the rank of rear admiral but above the rank of lieutenant commander; or
      (ii) an officer of or below the rank of major-general but above the rank of major; or
      (iii) an officer of or below the rank of air vice-marshal but above the rank of squadron leader.

(3) Schedule 1, item 2, page 6 (lines 3 to 10), omit subsection 111C(5), substitute:

Decision not to elect to have charge tried by the Australian Military Court

(5) If:
   (a) the accused person:
      (i) does not elect to have the charge tried by the Australian Military Court; or
      (ii) does not make a decision within the time allowed under subsection (1); and
   (b) the charge is not referred to the Director of Military Prosecutions under paragraph (3)(b);
   the summary authority must deal with the charge.

(4) Schedule 1, item 2, page 6 (line 23), omit “and try”.

(5) Schedule 1, item 3, page 7 (lines 1 to 3), omit subsection 131(2), substitute:

(2) However, this section does not apply in relation to an accused person who is an officer referred to in paragraph 111B(2)(c).

(6) Schedule 1, item 3, page 7 (lines 13 to 19), omit notes 1 and 2, substitute:

Note 1: If the summary authority considers that it would be appropriate to impose elective punishments in relation to 2 or more charges that are being tried together, the summary authority must give the accused person an opportunity to make an election in relation to each charge. If the accused person makes an election to have one or more of those charges tried by the Australian Military Court, the summary authority must refer that charge or those charges to the Director of Military Prosecutions, unless the Director of Military Prosecutions agrees otherwise, any other linked charge to the Director of Military Prosecutions: see subsection 131AA(3).

Note 2: If the summary authority considers that it would be appropriate to impose, on 2 or more accused persons who are being tried together, elective punishments in relation to one or more charges, the summary authority must give each accused person an opportunity to make an election in relation to each of those charges.

Note 3: If a charge is tried by the Australian Military Court because of an election under subsection 131AA(1), the charge will be tried by a Military Judge alone: see subsection 132AB(2A).
Note 4: See section 67 and Schedule 3 (in particular, subclauses 1(3) and (4) and 2(2) and (3) of that Schedule) in relation to the punishments that a superior summary authority or a commanding officer may impose on a person convicted of a Schedule 1A offence.

(7) Schedule 1, item 3, page 8 (lines 17 to 24), omit subsection 131AA(5), substitute:

Decision not to elect to have charge tried by the Australian Military Court

(5) If:

(a) the accused person:

(i) does not elect to have the charge tried by the Australian Military Court; or

(ii) does not make a decision within the time allowed under subsection (1); and

(b) the charge is not referred to the Director of Military Prosecutions under paragraph (3)(b);

the summary authority must proceed with the trial of the charge.

(8) Schedule 1, item 4, page 9 (lines 13 to 18), omit the item, substitute:

4 After subsection 132AB(2)

Insert:

(2A) If the charge was referred to the Australian Military Court for trial because of an election by the accused person under subsection 111C(1) or 131AA(1), the charge is to be tried by a Military Judge alone.

4A Subsection 132AB(3)

Omit “subsection (2) does not apply”, substitute “neither subsection (2) nor (2A) applies”.

(9) Schedule 7, item 2, page 57 (lines 16 to 30), omit section 103A, substitute:

103A Director of Military Prosecutions may decide that class 3 offence is to be tried by Military Judge alone

(1) This section applies in relation to a charge of a class 3 offence if:

(a) the charge is to be tried by the Australian Military Court; and

(b) the charge is not to be tried together with a charge of a class 1 offence or a class 2 offence.

(2) The Director of Military Prosecutions may, if he or she considers it appropriate in the circumstances, decide that the charge is to be tried by a Military Judge alone.

Note 1: If 2 or more charges of class 3 offences against an accused person are being dealt with together, the Director of Military Prosecutions may make a decision under subsection (2) in relation to any or all of the charges.

Note 2: If 2 or more accused persons are being dealt with together in respect of one or more charges of a class 3 offence, the Director of Military Prosecutions may make a decision under subsection (2) in relation to any or all of the charges against any or all of the accused persons.

Note 3: The maximum punishment that may be imposed on a person who is convicted of a class 3 offence that is tried by a Military Judge alone, because of a decision by the Director of Military Prosecutions under subsection (2), is imprisonment for a period of 6 months: see clause 2 of Schedule 2.

(3) If the Director of Military Prosecutions makes a decision under subsection (2), he or she must inform the Registrar of this decision.
(10) Schedule 7, item 3, page 57 (line 31) to page 58 (line 14), omit the item.

(11) Schedule 7, item 4, page 58 (line 20), omit “paragraph 132A(3)(a)”, substitute “subsection 132AB(2)”.

(12) Schedule 7, page 67 (after line 18), after Part 4, insert:

**Part 4A—Trials by the Australian Military Court**

Defence Force Discipline Act 1982

**30A Subsection 122(1)**

Repeal the subsection, substitute:

(1) A military jury must comprise:

(a) for a trial of one or more charges if at least one of the charges is of a class 1 offence—12 members; or

(b) for any other trial—6 members.

**30B Section 132A**

Repeal the section, substitute:

**132A Trial of class 1 offences etc.**

(1) This section applies to the trial of one or more charges if at least one of the charges is of a class 1 offence.

(2) The trial is to be by a Military Judge and military jury.

**132AA Trials of class 2 offences etc.**

(1) This section applies to the trial of one or more charges if:

(a) at least one of the charges is of a class 2 offence; and

(b) none of the charges is of a class 1 offence.

(2) The trial is to be by a Military Judge and military jury, unless:

(a) if one accused person only is to be tried—the accused person elects to have the charge, or (if 2 or more charges are to be tried together) all the charges, tried by a Military Judge alone; or

(b) if 2 or more accused persons are to be tried together—all the accused persons elect to have the charge, or (if 2 or more charges are to be tried together) all the charges, tried by a Military Judge alone.

(3) If the accused person, or all the accused persons, makes an election under subsection (2), the trial is to be by a Military Judge alone.

**132AB Trials of class 3 offences**

(1) This section applies to a charge of a class 3 offence, unless section 132A or 132AA applies to the charge.

(2) If the Director of Military Prosecutions has decided, under subsection 103A(2), that the charge is to be tried by a Military Judge alone, the charge is to be tried by a Military Judge alone.

Note: The maximum punishment that may be imposed on a person who is convicted of a class 3 offence that is tried by a Military Judge alone, because of a decision by the Director of Military Prosecutions under subsection 103A(2), is imprisonment for a period of 6 months: see clause 2 of Schedule 2.

(3) If subsection (2) does not apply to the charge, the trial is to be by a Military Judge alone, unless:

(a) if one accused person only is to be tried—the accused person elects to have the charge, or (if 2 or more charges are to be tried together) all the charges, tried by a Military Judge alone; or

(b) if 2 or more accused persons are to be tried together—any of the accused persons elects to have the charge, or (if 2 or more charges are to be tried together) all the charges, tried by a Military Judge and military jury.

(4) If the accused person, or any of the accused persons, makes an election under subsection (3), the charge is to be tried by a Military Judge and military jury.
(13) Schedule 7, item 35, page 69 (line 7), omit “subsection 132A(2) or paragraph 132A(3)(c)”, substitute “subsection 132AA(2) or 132AB(3)”. 

(14) Schedule 8, page 73 (after line 27), after item 4, insert: 

4A Application of amendments to trials by the Australian Military Court of multiple charges or accused persons together 

The amendments made by items 2, 30A and 30B of Schedule 7 to this Act apply in relation to a charge of a service offence against an accused person that is to be tried by the Australian Military Court if, before the commencement of those items, the accused person: 

(a) had not made an election in relation to the charge under subsection 132A(2) or (3) of the Defence Force Discipline Act 1982, as in force before the commencement of those items; and 

(b) had not been asked to plead in relation to the charge. 

The DEPUTY SPEAKER (Hon. BC Scott)—The question is that the amendments be agreed to. 

Question agreed to. 

Bill, as amended, agreed to. 

Third Reading 

Mr SNOWDON (Lingiari—Minister for Defence Science and Personnel) (4.57 pm)—by leave—I move: 

That this bill be now read a third time. 

Question agreed to. 

Bill read a third time. 

NATIONAL FILM AND SOUND ARCHIVE BILL 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 SNOWDON (Lingiari—Minister for Defence Science and Personnel) (4.58 pm)—by leave—I move: 

That this bill be now read a third time. 

Question agreed to. 

Bill read a third time. 

SCREEN AUSTRALIA AND THE NATIONAL FILM AND SOUND ARCHIVE (CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) BILL 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 SNOWDON (Lingiari—Minister for Defence Science and Personnel) (4.59 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

TAX LAWS AMENDMENT (PERSONAL INCOME TAX REDUCTION) BILL 2008

Second Reading

Debate resumed.

Mr KEENAN (Stirling) (5.00 pm)—I am very keen to continue talking on the Tax Laws Amendment (Personal Income Tax Reduction) Bill 2008 because it is probably the most substantial business that the government is going to transact, certainly thus far in this chamber. And that is a good thing, of course, because it was coalition policy that the government adopted following its complete lack of a tax policy in the lead-up to the election—something that I found extraordinary, as I would assume that a lot of Australians found extraordinary, going into the campaign in 2007. The Labor Party had no tax policy; all they could was to copy ours when it came out. That is a very sorry indictment on the economic credentials of the Australian Labor Party and the Treasurer.

Prior to being interrupted by question time, I was saying that it is a fundamental Liberal principle that the government collects what it needs in order to conduct the business of the Australian government and to provide the services that the Australian people expect the Commonwealth government to provide. When a government has collected excess money, it makes sense—and it is the morally correct thing to do—to return it to the Australian people. After all, they were the ones who earned it in the first place. Sadly, if you believe the Treasurer, this will be the final time that this parliament passes such substantial tax cuts. In the future, the new government are going to keep your money, because they believe they can spend it more wisely than you. I think that is the wrong policy.

We have heard a lot in this debate about the economic legacy of the previous government. It is fundamentally important to remind the House of just how impressive was that legacy. The policies of the previous government created 2.2 million jobs. That is an extraordinary figure. The policies of the previous government eliminated all government debt—the $96 billion that we inherited when we came to office. The Australian people prospered during this time. Growth in real wages grew by 21½ per cent. There was a doubling of household wealth. There was a record high participation rate in our economy. We delivered the highest number of surplus budgets of any government in Australia’s history and the lowest number of days lost to industrial stoppages.

Contrary to the nonsense that we are hearing from the new government—which obviously has a very cunning strategy to pretend it did not inherit an incredibly strong economy—the Australian economy, as characterised by such independent bodies as the OECD, is one of the strongest in the world. It was called ‘the wonder down under’ by the Economist magazine. Few of our trading partners find their economies in such a robust condition.

Probably my favourite indicator from the time of the coalition government—and this is a wonderful indication of how successful the economic management was in the Howard-Costello years—is that when we came to power in 1996, on a per capita basis Australia was ranked 12th. In a sense, we were the 12th richest country in the world. Over time there was a progression. In 2001, we became the 10th richest country per capita in the
world. That means that the Australian people were getting richer compared with our trading partners. Again, tough but necessary decisions were made—for example, reforming the taxation system—and we achieved ongoing success. By 2005, the Australian people were the eighth richest people on the globe. By the conclusion of the Howard government, the Australian people were the seventh richest people per capita in the world.

So we inherited a situation where Australia was the 12th richest country in the world and, by the time we left office, Australia was the seventh richest on a per capita basis. That is a pretty strong legacy. Let's stop this snake oil that the government is peddling—this nonsense that it has not inherited a tremendously robust economy. It is absolute nonsense that the government has not inherited a very strong fiscal position. Let's stop that nonsense and acknowledge that the Howard-Costello years were golden years for the Australian people and for the Australian economy.

I have only a number of minutes left, so I will conclude my remarks. The coalition strongly supports this bill. It is the most important thing the government has done since it was elected. Of course, it is a complete rip-off of coalition policy. What it will do, very happily, is create jobs. It will provide an incentive for more people to go into the workplace. It will benefit low-income Australians, and it will benefit the Australian economy as a whole. It is the right thing to do. It is a tremendous shame that it is the last time whilst this government occupies the Treasury bench that we will sit in this parliament and return to the Australian people surplus moneys that the government has raised, as is right and proper. I support the bill, and I lament the fact that it is the last time we will be passing a bill of this nature until we get rid of this government.

Mr Hayes (Werriwa) (5.06 pm)—Today I speak in support of the amendments contained in the Tax Laws Amendment (Personal Income Tax Reduction) Bill 2008. These amendments will cut personal income tax for all Australian taxpayers from 1 July 2008 and will honour another of the Rudd Labor government's commitments. Labor supports real and genuine improvements to our system of taxation, and these tax reforms are designed to reward the hard work and crucial efforts of Australians in keeping our economy strong. Quite frankly, these adjustments are a down payment on a more internationally competitive tax system that will enhance the economy's productive capacity and help attract and retain highly skilled workers in this country.

Lifting the supply of labour is a key component to the government's five-point plan to tackle inflation. We know that labour shortages are now widespread. Employers in my electorate of Werriwa are frequently reporting that labour shortages are the No. 1 constraint to their businesses expanding. If you put that in a national context, it is also the factor which is imposing economic constraints on our economy and putting pressure on inflation; and as a consequence we are seeing a rise in interest rates. The government's tax reforms will boost participation in the labour market, and we have long championed that as a cause.

In line with Labor's tax plan, which was issued in the lead-up to the election, this bill will: firstly, amend the Income Tax Rates Act 1986 to reduce personal income tax; secondly, amend the Income Tax Assessment Act 1936 to increase the maximum amount of low income tax offset; and, thirdly, amend the Medicare Levy Act 1986 by increasing the income threshold at which the Medicare levy becomes payable for those eligible for the senior Australians tax offset.
As the amendments in this bill are of particular interest to people in my electorate of Werriwa, I will make this the focus of my comments. According to the 2006 census, Werriwa has a population in excess of 143,000 residents, and they fit into just about every cultural, ethnic and religious demographic there is. Werriwa covers a wide expanse of south-western Sydney and has a very diverse population. The last census found that 33 per cent of residents were born overseas and more than 60,000 people speak a first language other than English. There are people from all parts of Europe and Asia as well as from smaller Pacific nations like Fiji, Tonga and Samoa. We also have one of the largest Koori communities in New South Wales. This rich mixture combines to produce a cultural diversity that lends depth to the south-west of Sydney while reinforcing a very strong sense of local community.

Werriwa is full of young families, and it is a sought-after place to raise a family. Perhaps the member for Macarthur—known locally as the ‘mayor of Mosman’—does not think so these days, but it truly is a great place to raise a family. I should know, because my wife and I have resided there for the last 30 years. It is where we have raised our family, and we have been part of building our community in the south-west of Sydney. Just as we did, young families continue the same process of raising their families, building their communities and contributing in all walks of life. Whether they be members of the Islamic community, based around Sule College; the Bangladeshi community of Minto; the Filipino communities of Ingleburn, Eagle Vale and Campbelltown; or the Fijian-Indian community of Liverpool, they are all Australians working together to build their communities for their families. I remain as committed as ever to community-building in south-western Sydney. It is an area where there are no pretensions. People simply get on and do their bit.

Today, starting a family goes hand in hand with the added responsibilities of home ownership, mortgage repayments and paying the rent. I know the pressures this can place on young families, and I know that Australian families are doing it tough and feeling the effects of the 10th increase in interest rates. The families in my electorate are struggling to meet their repayments, let alone being able to afford the little extras like shoes, holidays and school fees—things that ought to be factored into raising a family. The important thing to know is that families in Werriwa are working hard—but they cannot do it alone. That is why this particular bill is so important.

As I said earlier, this bill will reduce personal income tax. From July this year, the government will increase the threshold for the 30 per cent rate from $30,000 to $37,000 and reduce the existing 40c rate to 37c by 2010-11. These tax cuts restore fairness to the personal income tax system, with the greatest proportion of income tax cuts flowing to low- and middle-income earners. That is where it will make an impact in my electorate of Werriwa—where, according to the 2006 census, the mean individual weekly income in 2006 was $464 per week. These people will increasingly feel the effects of this tax regime. The Tax Laws Amendment (Personal Income Tax Reduction) Bill 2008 will also increase the maximum amount of the low income tax offset. From 1 July this year, it will increase from $750 to $1,200; from 1 July 2009, it will increase from $1,200 to $1,350; and from 1 July 2010, it will increase to $1,500.

Importantly, this plan provides the greatest tax cuts in percentage terms to those who need it most. I know full well how these reforms will significantly improve the financial
position of working families in my electorate. They will now have the ability to make decisions—particularly second-income earners in a household—as to whether to return to the workforce. This legislation provides a positive incentive to encourage participation in the workforce. It will enhance the incentives for them to upgrade their skills and gain higher qualifications, and it will allow them to keep more of their wages and become more highly skilled and productive. That has to be an overall benefit for our community generally. But to a household it crosses a threshold by encouraging greater participation in the workforce. That has to be a good thing not only for the local economy of Werriwa but also, on a global scale, for the economy of this country.

Almost 10 per cent of people in my electorate are aged 65 years or older. Fortunately, I do not fall into that category as yet, but I am sure that some time off I will fit into that statistic and I will benefit from this government’s commitment to support the aged population by increasing the income threshold at which the Medicare levy becomes payable for taxpayers who are eligible for the senior Australians tax offset. This ought not to be taken for granted. After talking to many seniors in Werriwa, I know that they think it is not only sensible reform but also well overdue. As a consequence of the increase in the low income tax offset, those eligible will not be liable to pay income tax until they reach $28,867 for singles and $24,680 for couples in 2008-09. In 2009-10 those rates will increase up to $29,867 for singles and $25,680 for couples. In 2010-11 those rates further increase to $30,685 for singles and $26,680 for couples. As a result of the low income tax offset, senior Australians will not be liable to pay income tax until they reach those income levels. In addition, senior Australians will not be liable to pay the Medicare levy until they reach those same levels.

In conclusion, I welcome this amending bill because it will deliver assistance to working families in my electorate, particularly low- and middle-income earners. The government is listening and understands that these amendments are carefully designed to enhance the incentives for labour force participation. As I said earlier, it is crucial to encourage greater participation in the labour force in order to increase our national productivity. The impact of the tax cuts on taxpayers will depend entirely upon their taxable income level and the measures will increase the disposable income of families. For us in the south-west of Sydney, an area heavily dominated by families, this will be much welcomed. The overall tax cuts will deliver assistance to working Australians under financial pressure and will help prepare Australia to meet its economic challenges. I commend the bill to the House.

**Dr SOUTHCOTT (Boothby) (5.19 pm)**—I rise today in support of the Tax Laws Amendment (Personal Income Tax Reduction) Bill 2008. My one disappointment is that these tax cuts are not being implemented by the architect of this policy but by the imitator. The Treasurer really is the artful dodger of Australian politics, coming in here and presenting, as one of the most important limbs of any Australian government’s economic policy, their tax policy and presenting what is after all the work of another individual. We all know that this policy was not in any way drafted by the Treasurer. It was not in any way drafted by the Prime Minister. These are tax cuts and this is a tax policy developed and drafted by members now on this side of the House. We now have a bill which almost exactly mirrors the announcement which was made by the then Prime Minister and the then Treasurer on 15 October 2007. This was an important announce-
ment encompassing $34 billion of tax relief. It is a matter of record that the Liberal Party and the National Party cut tax in 2000 with the move to A New Tax System and $10 billion of income tax cuts. We cut income tax in the 2003, 2004, 2005, 2006 and 2007 budgets. Although we are no longer in government, the tax cuts which will be delivered in 2008, 2009 and 2010 are the tax cuts that we took to the Australian people. I cannot imagine former proud Labor treasurers—for example, Paul Keating and, to go back a bit further, Ben Chifley—coming in here and presenting as their own what is, after all, the work of someone else.

For me, one of the great unknowns about this whole episode is that no-one really knows what the story is behind Labor’s tax policy. On the one hand, it may be that they never had a tax policy—that they were always planning to go with whatever the previous government proposed on tax. On the other hand, it may be that the member for Lilley, the Treasurer, did develop a tax policy but it was so inferior that they imitated and plagiarised the tax policy that the Liberals and Nationals took to the last election. What is needed is a Paul Kelly, a Michelle Grattan or a Pamela Williams to find the inside story of what happened. What happened in those days when Liberal and National members and candidates were out there selling their tax policy and the now Treasurer and the now Prime Minister were bunkered down trying to work out how to respond? But it is fortunate for the Australian people that, whatever is the case—whether the Labor Party had no tax policy or whether they just dropped the tax policy that they had prepared—the Labor Party adopted our policy.

As all members will be aware, we proposed a series of tax cuts commencing on 1 July 2008. They involved increases in the low income tax offset, an increase in the threshold at which the 30c rate cut in, and cuts in the marginal rate for the next two rates—the 35c and 40c rates. So there is really only one difference between the policy that we took to the election and the bill that we are discussing, and that is that those with taxable incomes in excess of $180,000 will see the marginal tax rate held at 45 per cent and the tax cuts delayed until at least 2011-12. So there you have it. The tax policy of the Labor government was designed by the member for Higgins—and that will be the case for the next three years. So I am very pleased to support the bill. This is the policy that I was out there explaining to people at shopping centres and at railway stations.

In addition to these tax cuts providing important benefits for families and benefits particularly for people on low and middle incomes, there is also another very important purpose that these tax cuts serve—they boost workforce participation. If we are going to have continued economic growth in the Australian economy and we are going to avoid the significant challenges to the Australian economy which are posed as a result of our ageing population, increasing workforce participation is vital. We need to encourage greater levels of workforce participation to help offset any predicted future impacts of an ageing population. Research undertaken by the Productivity Commission in 2005 predicted a significant fall in the participation rate to 56.3 per cent by 2044 as a result of an ageing workforce in Australia—as a result of the predicted much slower labour force growth in the future.

While Australia has seen an increase in the participation rate over the last two decades, chiefly as a result of sustained economic growth under the coalition government, certain groups continue to be under-represented compared with other comparable OECD countries. We need to see these groups much more represented in the workforce in order to counter the challenges of an
ageing workforce. When we look at the OECD data from 2005, we see that, for older men and women aged between 54 and 65, our participation rate was ranked 13th out of 30 OECD countries. When we look at the data for people aged 25 to 54, we see that our participation rate was 22nd out of 30 countries. When we look at the data for women of child-bearing age, we see that Australia had the eighth lowest level of participation in the OECD. When we look at comparable countries, we see that New Zealand’s participation rate in the 54 to 65 age group is 15.2 per cent higher than our rate and Canada has a participation rate for women of child-bearing age 7.1 per cent higher than our rate. Most members will recognise that New Zealand and Canada have very similar societies and are similar countries to Australia. So when we look at the experience of New Zealand and Canada we see that it should be achievable for Australia to improve its participation rates in those groups I have nominated.

As a direct result of these personal income tax cuts—and this is agreed by economists—we should see about 65,000 people join the workforce in the medium term. The tax benefits in this bill, for families in particular, are very significant. During the election campaign, we said that 65 per cent of women who returned to work after having a child would pay a tax rate of 15 per cent or less by 2010. In my own electorate of Boothby this is particularly important. George Megalogenis, in an article in the *Australian*, referred to a lot of data from the 2006 census. I was very interested to read that in the 2006 census, out of the 150 electorates represented in this House, the electorate of Boothby had the fourth highest percentage in the nation of both parents working. In almost two-thirds of couples with dependent children, the father works full time and the mother is in either full- or part-time employment. When we looked at families in Boothby with dependants we found that in 45.7 per cent of them the father works full time and the mother part time. This was the third highest in the country. Both these figures were obviously well above the national averages.

On behalf of families in my electorate, can I say that these tax cuts will be very welcome. As I said, this was a policy that I was very supportive of previously. I am very pleased that the Labor Party are introducing the policy—basically the policy that we took to the election. As we said during the election campaign, for a family where there is one parent on average weekly earnings working full time and another part time, these tax cuts will see a reduction of around $50 a week by 2010. So these tax cuts are particularly important for families. They are really designed to reduce the tax burden for people on low or middle incomes and they are really designed to help families who have two incomes. It is very common in a family now to have one person in full-time work and one in part-time work. As I said, in my electorate this is a particularly common way that families work. The tax cuts will encourage some people to enter the workforce or re-enter the workforce. As I said, our estimate is that 65,000 people will enter the workforce.

There is OECD data, published by Jaimotte in 2004, which indicates that improving tax incentives for those working part time, resulting in an increase in disposable income, can have a mobilising effect on female participation in the workforce. These personal income tax cuts will provide further incentive and financial benefits for those entering or re-entering the workforce and will help families to deal with increased costs of living.

In addition to cutting taxation, increasing the threshold and cutting the rates, the amendment bill also incorporates the coali-
tion’s proposal to increase the low income tax offset and the effective tax-free threshold. It raises the effective tax-free threshold to $14,000 by 1 July 2008. That increases in 2009 and 2010. This increase in the low income tax offset will provide incentive for low-income earners and those in receipt of welfare payments to increase the number of hours they work or to move into the workforce, as it increases the offset amount to $1,200 in the first instance, then $1,350 in 2009 and $1,500 in 2010. It also provides additional incentives for people to increase their skills. It rewards their hard work. As a consequence, these tax cuts will provide further incentive for individuals to increase their productivity.

In addition to providing incentives for families on two incomes, people on low incomes and those in receipt of welfare payments, these tax reductions will also benefit senior Australians. For those eligible for the senior Australians tax offset, there is likely to be an increased participation rate in part-time employment in particular. In keeping with the policy outlined by the member for Higgins prior to the election, senior Australians eligible for the senior Australians tax offset and the low income tax offset currently do not pay tax after assessment until they reach an annual income of $25,867 for singles and $21,680 for each member of a couple. From 1 July 2008, these income levels will be lifted to $28,867 for singles and $24,680 for each member of a couple. This equates to a tax offset of approximately 20 per cent more than the current level for eligible seniors by 2010. Again, there is a body of OECD research which indicates that reductions in taxation for seniors do result in a return to work or an increase in hours worked.

These tax cuts are payable due to strong economic growth and strong budget management over 11½ years. The tax cuts will provide additional incentives for Australian workers, particularly for low- and middle-income earners, by rewarding them with increased disposable income in return for their hard work. They will assist 65,000 Australians who are currently outside the workforce to enter or return to the workforce. These tax cuts are good for families, particularly two-income families. They are good for taxpayers on a low income. They are good for senior Australians as well.

As I said at the outset, my one disappointment is that these tax cuts are not being implemented by the architect of the tax cuts; they are being implemented by the imitator of the tax cuts. Really, the Treasurer adopted this policy. While we welcome it, it was an extraordinary thing for the Labor Party not to have developed their own tax policy. One of the key elements of any economic policy is to have a tax policy. I remember the days of Paul Keating and all of his mini-budgets and budgets and the tax policies he presented. For the Labor Party not to have a tax policy was an extraordinary thing. I wonder whether we will ever find out the true story of what happened there—whether the Labor Party had developed a tax policy or whether they were always going to adopt our tax policy. They recognised that they could never do the work to come up with tax scales like this, which are particularly targeted at people on low and middle incomes and dual-income families. Fortunately for the Australian public, while the government changed, the tax scales that were authored by the previous government remain, and that will be the case until 2010. I am pleased to support this bill and I commend it to the House.

Mr COMBET (Charlton—Parliamentary Secretary for Defence Procurement) (5.37 pm)—I rise to speak in support of the Tax Laws Amendment (Personal Income Tax Reduction) Bill 2008. It is delivering on another one of the Rudd Labor government’s election commitments. The tax relief pro-
vided by the bill is economically responsible and delivers real benefits to working families. The tax cuts, especially the increase in the low income tax offset, will improve the performance of the economy and attack inequality.

From 1 July this year, the government will increase the 30 per cent marginal tax rate threshold so that the 15 per cent marginal tax rate will apply on up to $34,000 of income, an increase in the threshold of $4,000. In addition, the low income tax offset will be increased from $750 to $1,200. That means that those who are eligible for the full low income tax offset will not incur a net income tax liability until their annual income exceeds $14,000—an especially important initiative for low-income earners.

For the first time, from 1 July 2008, low-income earners will receive half the benefit of this offset through their regular pay, which will be important in household budgeting, rather than receiving the total as a lump sum when their income tax returns are assessed. This will have a more practical impact on working families attempting to run their weekly budgets and will provide a more visible incentive to participate in the workforce.

Further tax cuts will apply from 1 July 2009, including an increase in the 30 per cent marginal tax rate threshold so that the 15 per cent marginal tax rate will apply on up to $35,000 of income. In addition, the 40 per cent marginal tax rate will be reduced, under the bill, to 38 per cent. The low income tax offset will be increased on 1 July 2009 from $1,200 to $1,350. This means that those eligible for the full low income tax offset will not incur a net income tax liability until their annual income exceeds $15,000.

From 1 July 2010, the threshold for the 30 per cent marginal tax rate will increase so that the 15 per cent marginal tax rate will apply on up to $37,000 of income. In addition, the 38 per cent marginal tax rate will be reduced to 37 per cent and the low income tax offset will also be increased from $1,350 to $1,500 from 1 July 2010. This means that those eligible for the full low income tax offset will not incur a net tax liability until their annual income exceeds $16,000.

These tax cuts will help the nation face the economic challenges confronting it today. We are—as we have heard on many occasions, but the point needs to be underlined—facing a great challenge with the highest underlying inflation rate in 16 years. We in the Rudd government have inherited this legacy from the previous Howard government, which squandered a once in a generation opportunity. Unless we can address these longer term issues, we will face even more serious constraints on future growth and competitiveness, at tremendous cost to Australian living standards. We have demand rising faster than supply and there are only two ways to rectify this. One way is to increase inputs, capital and labour so that output will more closely approximate demand in the economy. The second way is to increase productivity. Increasing the labour supply is a key component of the government’s five-point plan to tackle inflation. Labour shortages are now widespread in the economy and in numerous surveys employers list skills shortages as the No. 1 constraint to business investment and expansion. You find that in large, medium and small businesses across the country.

The tax reforms contained in this bill will significantly improve the financial incentives for second-income earners and those on welfare benefits to make the transition into the workforce or increase their hours of work. These incentives will be reinforced by other
measures to be implemented by the government, which I will refer to in a short while. Economic modelling undertaken by the Treasury indicates the personal income tax reforms alone will lift aggregate labour supply by around 65,000 persons in the medium term. This increase in workers, together with the increase in the effort of existing employees, will make available around 2.5 million additional hours of work to the economy each week. Incentives to increase labour force participation are vital if we are to attack the supply side constraints that are plaguing the Australian economy. These constraints have existed and been evident for some time. The previous government did not attend to them and this is widely regarded as one of the causes of the inflationary pressure that the country now faces.

Our labour force participation rate among 25- to 54-year-olds— that is, the prime workforce— slipped from 19th best in the OECD in 1994 to 20th in 2006. Over the last 12 years, Australia only managed to increase the labour force participation rate among 25- to 54-year-olds by 3.3 per cent. Our performance in lifting the labour force participation rate amongst men was even worse. In the 12 years to 2006 the participation rate amongst men in that category fell by 1.3 per cent, dropping Australia from an ordinary 22nd in the OECD to a disgraceful 26th, or fifth worst in the developed world. Australia’s female labour force participation rate is only the 12th best in the OECD. We are also in the middle of the pack in terms of the participation rate for older workers, with 12 developed nations ahead of us. To state the obvious, these are very problematic issues that confront the economy, especially considering that we have had 17 years of economic growth. That was a sustained period of growth, but we are now confronting some significant constraints.

You would expect that the growth we have experienced would be encouraging people back into the labour force, but public policy measures supporting that goal have been lacking. The tax cuts in this bill, most notably through the increases in the low income tax offset, will lift incentives for people to move from welfare to work, thereby placing downward pressure on inflation and interest rates.

Beyond increasing the participation rate, we need to examine how we can increase the number of hours people are working in the economy. I hasten to add that we should do that not necessarily by asking full-time workers to work longer hours but by developing policies to encourage part-time workers to take on more hours and to ensure that there are sufficient jobs for these employees and for people who wish to participate to a greater degree in the workforce.

I acknowledge that there are a lot of people who are happy to work part time; part-time work might suit their lifestyle and provide a good work-family balance. However, the evidence is that a significant number of part-time workers would like to work more hours per week. The latest ABS data found that one in five part-time workers, or 571,900 people, want more work. Fifty-seven per cent of these underemployed people would prefer to work full time. In addition, 46,000 full-time employees were put on short hours due to lack of work.

It should be noted that the proportion of men working part time, as a share of male total employment, is almost double that of the OECD average, and the female part-time proportion is 1½ times the OECD average. So there is a high incidence of part-time work in our labour force relative to other developed nations. The greater significance of part-time workers in the Australian economy saw the average annual hours worked
per person in employment actually fall by 3.3 per cent between 1994 and 2006.

Reducing this underemployment in part-time workers is perhaps one of the fastest ways to increase our labour supply and relieve some of the inflationary pressure. If all the underemployed part-time workforce were able to work their ideal hours, this would add 325 million work hours to the national economy annually. This is the equivalent of finding almost another 200,000 full-time employees. Just imagine the impact on the labour supply and the inflationary pressure relief that would provide.

On the evidence available, the main obstacles to working these hours are lack of work, lack of skills and transport problems. The government are committed to addressing each of these three policy areas. The government will pursue the appropriate macro-economic settings for maximum employment. We also have a comprehensive skills agenda, beginning with a plan for 450,000 additional training places. Furthermore, Labor are delivering on our commitment to establish Infrastructure Australia within 100 days of forming government. This organisation will audit our infrastructure needs and coordinate the provision of infrastructure. This will help improve the transport infrastructure of Australia. The interaction of these policy areas is an example of the effectiveness and necessity of a holistic policy approach, something the former government was unable to embrace.

While targeted tax cuts will add to the labour supply and thereby help relieve inflationary pressure, they will have other impacts that are quite counterintuitive. For example, the OECD has found that employment growth tends to be associated with lower average labour productivity growth. Thus, as the government encourages greater labour force participation, we must complement this with other policies designed to boost productivity.

Training is essential to this challenge. The OECD has estimated that a 10 per cent increase in the stock of human capital accumulated through job related training is associated with an increase of around 1.5 per cent in productivity. Thus, skills development not only helps to increase labour supply through new entrants and upskilling existing workers; it ensures that these additional workers will boost the productivity rate.

The Labor government, in its first 100 days, has commenced the measures necessary to implement its commitment to the rollout of trades training centres in all of Australia’s 2,650 secondary schools.

Mr Ciobo interjecting—

Mr COMBET—that is not a farce. The Labor government has also commenced the implementation of the $1 billion Computers in Schools package, which will allow every Australian student in years 9 to 12 to have access to a school computer. As I mentioned a moment ago, we are committed to providing an additional 430,000 skilled training places from July 2008 to lift the productive capacity of Australia, and we will launch an expression of interest for 20,000 new training places in areas of skills shortage from April 2008.

Another measure that will boost productivity and thereby increase our national competitiveness and relieve inflationary pressure is parental leave. According to the OECD, additional parental leave increases the level of productivity, in part by allowing workers with family responsibilities to maintain their links to the workforce. In response to this the government has asked the Productivity Commission to examine ways the government can provide improved support to parents with newborn children. The Productivity Commission will look at the economic and
social costs and benefits of paid maternity, paternity and parental leave. From my experience in my previous role representing employees, I know that it is an important issue on the bargaining table in enterprise-level negotiations. Thus, the Rudd Labor government will attack the causes of inflation, such as labour shortages, through tax relief and then ensure that these new entrants to the labour market have the skills to get a job and the skills to improve productivity.

The impacts of the tax cuts on social and economic equity are also extremely important. It is important to set the context for these tax cuts—the context is a decade of rising inequality in Australia. Both income inequality and poverty increased between the mid-1990s and now, notwithstanding 17 years of record economic growth. The incidence of low pay has also increased by a massive 14.6 per cent between 1995 and 2005. This is the share of workers earning less than two-thirds of median earnings. This increase was 27 times the average increase in the incidence of low pay across the developed world, and it is one of the legacies of the workplace relations system of the former Howard government.

These trends were exacerbated by the Howard government pursuing what I consider to be its own version of class warfare. Over the life of the Howard government, taking into account bracket creep and the GST, workers on average wages got just $23 per week in tax cuts while high-income earners got a tax cut that was six times higher—$143 per week. The provisions of this bill provide the greatest tax cuts in percentage terms to those most in need: low- and middle-income earners. Compared with their income tax liability for 2007-08, not taking into account the Medicare levy, a person with taxable income of $20,000 will have an income tax reduction of around 56 per cent; a person with taxable income of $50,000 will have an income tax reduction of around 18 per cent; and a person with taxable income of $100,000 will have an income tax reduction of around eight per cent by 2010-11.

The income category that will receive the highest percentage income increase is for those earning $40,000 per year. A person on $40,000 per year will increase their income by 4.5 per cent by 2010-11 as a result of these reforms. Higher income earners will enjoy tax cuts, but not to the relative extent enjoyed by those on lower incomes. By delaying the tax cuts for those earning $180,000 and above, Labor was able to afford to establish an education tax refund for all families receiving family tax benefit A with children at school. This is another initiative that will increase Australia’s human capital, thereby increasing productivity and international competitiveness.

The tax cuts contained in this bill will improve both equity and economic efficiency. The greatest beneficiaries of these cuts are low- and medium-income earners. These cuts will encourage people to re-enter the workforce and will encourage others to work more. This will add to labour supply and remove a supply-side constraint to the continuing growth of the economy; hence, the reforms will reduce inflationary pressures, place downward pressure on interest rates and assist working families in a very practical way. In combination with other policies of this government, such as on education and skills formation, the tax cuts will improve the competitiveness of the economy and make up for some of the neglect the country has endured over the past 11 years due to the previous government. I commend this bill to the House.

Mr WINDSOR (New England) (5.55 pm)—Mr Acting Speaker, if we ever needed—
The DEPUTY SPEAKER (Hon. Peter Slipper)—For the benefit of the honourable member, I believe that the correct term for the person occupying the chair is ‘Mr Deputy Speaker’ or ‘Madam Deputy Speaker’, not ‘Acting Deputy Speaker’.

Mr WINDSOR—Thank you, Madam Deputy Speaker! Seriously, Mr Deputy Speaker, I am pleased to speak to the Tax Laws Amendment (Personal Income Tax Reduction) Bill 2008. If we ever needed a reason not to support the tax cuts in the form that they are in this piece of legislation, I think that we have seen that in the last four to five days in the debate that we have all participated in over the possible downgrading of income to carers and in the politics that has been played in contemplating the possible disregard for carers and pensioners. The debate has been played out in here, and the Prime Minister has made various considerations, maybe based on political ramifications, maybe based on reality or maybe based on being overseas when the issue blew up. Irrespective of why that has happened, I think it has highlighted one of the reasons that we should not pursue the tax cuts in this legislation.

The government is obviously concerned about inflation, and most other people are as well. It is obviously concerned about the Reserve Bank’s reaction to the interaction of inflation brackets and interest rates and the impact that will have on mortgage holders and on our competitive arrangements in terms of some of our—

The DEPUTY SPEAKER—Order! There is too much audible conversation across the table. I am sure that the honourable member for Moncrieff would not want to be dealt with again by the chair, and the parliamentary secretary at the table, the Parliamentary Secretary for Multicultural Affairs and Settlement Services, ought to contain himself as well.

Mr WINDSOR—Thank you, Mr Deputy Speaker. I concur with your ruling. There is an obvious and legitimate concern at all levels of government that inflation and interest rates could be a problem to the Australian people and could be—in my view will be—a political dilemma that this government will have to deal with.

I will not be supporting this legislation. I will not go through the semantics of calling a division, but I would like it recorded that I do not support this legislation in the form that it is in. I think that it will feed inflation, which will feed interest rates. It will pour fuel onto a fire that does not need to be fed. If there is some reason to provide low-skilled, low-income earners with a break in terms of their tax bracket, do that. But that is only one-third of this package; the other two-thirds do not need to be put on the fire at this time.

The former government—and no doubt the member for Moncrieff will correct me if I make an incorrect statement here—put about $50 billion into the economy by way of tax concessions in the last 12 months. That is part of the problem we are dealing with now, with inflation and the interest rate consequence that the Reserve Bank is looking at. The new government will compound that problem if it pours this amount of cash, $31 billion, into an economy that it is trying to calm down. We have lived through the last five days of that calming down process. The Treasurer and others are on the one hand saying, ‘This is going to be a hard budget; we’ve got to claw back because of inflation,’ and on the other hand going to throw a bucket of money on the fire. Everybody knows what is going to happen as a consequence of that. And there will be political consequences, as there should be, if the
Prime Minister and others cannot see what they are potentially doing in feeding an overheating economy with cash of this magnitude.

I go back to what I call the Howard trap. Most people in politics will remember that, right back at the early part of the election campaign, and in the weeks prior to that, we had this era of ‘me too-ism’. It was a clever strategy when you wanted an election to be fought on one issue, that of industrial relations—‘me too, me too’ policy agreement. It was quite obvious at that time—and all the Liberal Party’s internal polling indicated this—that the former government were heading for a loss. So the card was played: ‘We will propose $34 billion in tax cuts on day one and Rudd will “me too” it. If he does “me too” it, what we will have taken out of the marketplace is any capacity that he would have had in terms of infrastructure building, capacity building.’ I believe that was deliberately done by the former Prime Minister as a last card to play but one that had a jagged edge in it that would trap the government with the dilemma that it has now.

Another instance is the carers debate, a debate that we should never have had. But we had it, because the current government is looking at ways and means of cutting back on its spending—yet, on the other hand, it is going to go on a massive spending spree. It is looking at ways and means of cutting back on spending because it is worried about the inflationary effect that the budget could have and so it has to have a massive surplus. If it looked, as a way of dampening down the economy, at a removal of the tax cuts, or a transfer of part of them into superannuation or into the low-skilled area that the Treasurer has talked about—and there may be other areas—it would be less inflationary. But there is no doubt in my mind that carrying through with this at this time in our economic cycle is going to be inflationary and a lot of people will pay. It could be modified to be more applicable to today’s circumstances.

I think everybody knows that governments make promises, and they are based on what they know at a particular time. But we do know now that we are in an inflationary cycle. I think most commentators would say that there are things that we could do in terms of that particular cycle that we are not doing. What we are doing is looking at cutting a whole range of programs, some of which are needed—they may be social programs like the carers issue; and pensioners are having dreadful trouble, particularly single pensioners, trying to balance their budgets. In a lot of senses infrastructure is being ignored. If there were a massive surplus that could be redistributed back to the community via tax cuts, one would have thought that there were no infrastructure requirements in the economy. I think all of us know that there is a real dearth of projects out there that need to be addressed. I highlighted a number today in my address-in-reply speech. For instance, 110 million tonnes of freight, half the freight on the eastern side of Australia, goes through the Hunter Valley and the northwest, and a bottleneck is developing on the Murrurundi Range, where we are trying to feed small trains through a tunnel that is too high. It is about infrastructure—Newcastle port, Gladstone port and other ports. What the government is saying is that we have to make savings, not spend on long-term infrastructure; whereas long-term infrastructure—according to the theory that I was led to believe, anyway—is less inflationary than short-term cash at such a time in the economic cycle.

So there are many things that need to be done for the economy that need money spent on them. But we are getting this constant message that we cannot afford to spend because we are going to suffer inflation, and
then this other message—and even some people today have been saying this—that the tax cuts will stop inflation. They may well, at that very low level of income base where they transfer people from welfare to work, but that is not the target of the great majority of these particular tax cuts.

If the government are looking at making savings, there are a number of areas they can look at. There would be argument in this place about this, but one of the areas that I believe was very poor policy of the previous government—and it has cost about $4 billion since 2004—is the baby bonus. The implications of the baby bonus, through the way it has been directed, the way it has in many cases been abused, the way it has been misused or not directed to the child in a lot of cases, really does need to be examined, modified and directed better. I hope that the new government does look at the impact of the $5,000—or whatever it is—being expended to everybody who has a child, whether that child is coming into a loving family or is coming into no family at all. I think there are some real social issues as well as economic issues there.

Another area that this bill does not embrace, but which I think we need to look at in terms of its broader economic implications and our long-term future, is real tax reform in other areas. We have this absurd structure in this country called fuel excise, introduced for dubious reasons, way back, by Malcolm Fraser when he believed that we had to adopt a fuel taxation regime so that the nation would be ready for a fuel shock at some future time. With the fuel excise currently at, I think, 38c a litre and GST, depending on where you are in the nation, running at 12c or 13c a litre, over 50c a litre is taxation of one sort or another. Some would argue that we need fuel taxation to pay for upgrading the roads. I do not think anybody would argue with that if the $14 billion that is raised by fuel taxation—and that figure does not include the GST; that is the excise itself—were transferred to roads and rail. People might not argue with that. But my understanding is that, out of that $14 billion, no more than about $2 billion goes back into the road network in some shape or other. The argument that the user pays does not apply. The user is abused by that piece of taxation.

There is another absurdity in taxation policy. The new government has said a lot about climate change and renewable energy sources—solar energy, water energy and wind energy. There has not been a lot said about biofuels by this government. We have this absurd arrangement in place whereby we are trying to encourage renewable fuels—for a whole variety of reasons—but after 2010, I think it is, if you are a biofuel producer in Australia you will pay full price excise. So the argument that was used many years ago, by both sides in this parliament—that we need to tax fuel to send a message that we have got to conserve fossil fuels, to send a message to the V8 drivers that they have got to go back to four cylinders—is a nonsense because here is a non-fossil fuel that we are still going to tax. Instead of creating an incentive for people to look at renewable alternatives with some greenhouse gas positives, we are going to treat biofuel as though it is a fossil fuel and tax the production of it. And people wonder why no-one has bothered to go into biofuels. Why would you, when you need at least a seven-year excise exemption period to make it stand up? No-one has had that amount of time to do it—and they will not do it under a regime that follows the fossil fuel tax system.

If the Labor government are serious about some of these issues to do with renewables and climate change—all the buzzwords that we are hearing now—I suggest that they have a serious look at the role of biofuels. It does not necessarily have to be grain and
sugar cane; look at some of the lignocellulose research that is being done. There is very little talk about that in this country, but there are options that have some impact not only in the carbon debate but also in relation to greenhouse gas emissions.

There is a lot of talk about how carbon taxation is going to be set up and whether we should go down the road of the Europeans, who made a mess of it, or invent our own system. It all sounds very interesting and positive. People suggest that we will have to eventually have some sort of emissions taxation regime. There is very little talk about the role that soil carbon can play in naturally sequestering carbon in the soil in organic matter and humus. Former Prime Minister John Howard did not even involve the agricultural sector in a carbon task force to look at how all of the players—not just the coal miners and the resource brokers—could do something or develop a system that does something about the issues raised in the carbon debate and look at Australia’s role in how we come to grips with them. The farming sector and the very soils that we all stand on were left out of the equation.

I am not suggesting that soils are the miracle cure, but I was pleased the other day to see the Prime Minister indicate—at the Outlook conference, I think it was—that the new government would actually look at and do some research into natural sequestration by way of changing farming and pasture technology to achieve a better outcome in the accumulation of soil carbon. What that means in terms of the total debate I do not know, but it is important that we at least find out rather than just ignore it and say it has all got to be done by clean coal capture, geosequestration and other suggested alternatives. Maybe our soils are part of the solution, but if you had talked to the previous government you would have found they did not identify that soils existed in terms of that particular debate. There are carbon trades taking place in parts of the United States at this very moment where no-till farming—conservation farming—techniques have accumulated soil carbon. It is being traded as we speak.

We are told that there are problems with measurement—how you actually measure the carbon in the soil to see whether it is going up or down and how you can physically trade something like that if the measurement is a problem. I would have thought research into that problem should be happening now. That is why I was pleased with what the Prime Minister had to say the other day. I think the government are actually going to have a look at this issue. If it does not work, we can rule it out. But the earlier work on soil carbon was not based on climate change. We have a different issue now, and that can become part of the solution. As a parliament we need to encourage those sorts of issues.

In conclusion, Mr Deputy Speaker—and thank you for the degree of licence that you have given me—I will be opposing the tax cuts. I believe there are a lot better ways of spending this money that are far less inflationary and are far more important to the long-term infrastructure of this nation—such as, perhaps, on superannuation. I believe that, if the Prime Minister reversed this decision and went to the people and explained the reason why, he would have a resounding endorsement of that change in policy and not, as has happened in the past, criticism from the community about breaking a promise. So I urge the government to break the promise and put the money to a more effective use at this time in the economic cycle.

The DEPUTY SPEAKER (Hon. Peter Slipper)—I would commend to the honourable member for New England the provisions of standing order 126 if he wants his dissent to this legislation to be formally recorded at the appropriate time.
Mr BRADBURY (Lindsay) (6.15 pm)—I rise in support of the Tax Laws Amendment (Personal Income Tax Reduction) Bill 2008. I think that there are a number of very powerful reasons why the House should support the bill. First and foremost, from my perspective, is that this encapsulates one of the election commitments that the Labor Party took to the last election, and I am very pleased to be speaking in support of a bill that now implements and delivers on that commitment.

I heard the comments from the member for New England and I know that they were heartfelt. One thing about those comments and the position from which the member for New England comes to the debate is that, unlike those of us on this side of the chamber, he was not a part of a party that made a commitment such as this before the election. We were, and I am very proud to now be speaking in support of a bill that delivers on that commitment. I think the member for New England, and others within this place, would agree that it is essential that we deliver the election commitments that we make in order to keep the faith of the electorate. Indeed, we only have to look at some of the examples of where governments in the past have failed to do so to see the great distrust that that brings—not only upon members of governments but upon all of us as parliamentarians and as members contributing to public and political life.

One of the key reasons why I speak in support of this bill is that, if we examine where the first tranche of these tax cuts is being directed, these tax cuts are very much targeted towards low- and middle-income earners, and that is a significant point to reflect upon as we debate this bill. I note that earlier today—or, indeed, last night—the OECD released a report. I will read from the press statement that accompanied the report. It was an international study but part of that study commented on a number of countries, which included Australia. The press statement on the report said:

Across OECD countries, tax changes have tended to favour low-wage earners. But in a few countries—

and it goes on to name those countries, which include Australia—

tax reforms have mainly benefited higher-income groups. In addition, low wage-earners can find themselves paying higher taxes if targeted tax concessions such as employment-conditional benefits or tax credits are not adjusted to take account of inflation. Where such tax reliefs exist, fiscal drag can erode their value, with particularly strong effects on low-wage earners.

The significance of this point is that—whilst it is true that there have been a number of initiatives that have brought about tax cuts over the last decade—as the OECD report suggests, in large part those measures have been targeted towards higher income earners. What we have in this bill and, in particular, in the first tranche—those proposals to take effect from 1 July—is a range of measures targeted specifically towards low- and middle-income earners.

I would like, in the course of this debate, to speak specifically on the low-income tax offset, but I do acknowledge the range of positive measures that are included within this bill. I should say that, against the background of this bill, is the fight that the government is currently engaged in: tackling inflation. I note that this has been an issue that has been commented on not only in the course of this debate but certainly in much of the commentary on whether or not the government should keep its election promise in relation to these tax cuts.

The government has a very strong plan. We all know it is a five-point plan. That plan is directed at tackling inflation. The five components to that are: firstly, delivering a budget surplus which is at least 1.5 per cent
of GDP; secondly, lifting national savings; thirdly, investing in skills and education; fourthly, investing in infrastructure; and, fifthly—and I think most importantly in the context of this debate—lifting workforce participation. One of the most significant achievements or outcomes that we are likely to see as a result of the passage of this bill is an increase in workforce participation. Treasury modelling has identified that, if these reforms are implemented, 65,000 additional workers will be added to the aggregate labour supply. At a time when labour shortages are a critical constraint on our nation’s productive capacity, it is imperative that we pursue policies such as these that are going to lift our workforce participation.

I would like to now turn my attention to the low-income tax offset, which, I believe, is an initiative that really does stand out in terms of the range of tax reforms that this parliament has considered over recent years. I know that there has been much derision targeted at the Treasurer in relation to his commitment to delivering these tax cuts. There has been much criticism; I know people on the other side have said that they are not even his tax cuts—that he was not the architect of them. There has been no greater advocate of the benefits of providing tax credits to working families, working tax credits, than the Treasurer. The Treasurer, not only when he was the shadow Treasurer but for many years before that, has been a consistent advocate of the need to provide tax credits to low-income earners to lift workforce participation. In fact, the truth of the matter is that, in many respects, it was the former government appropriating policies of the then shadow and now current Treasurer—policies he had been advocating for some time—when they first released their tax package in the lead-up to the election. So let us not be misled into believing that this was a case of policy by xerox, as some on the other side seemed to be suggesting.

One of the great elements of the low-income tax offset is that it allows us to deliver a benefit to low-income earners that does not flow on to higher income earners. The way it works, as many speakers have commented on in this debate, is that as a result of these measures we will be increasing the low-income tax offset from its current level of $750 to $1,200 in the first year. There will be increases in the next year and then again in the 2010-11 financial year. I will concentrate on the first tranche—the changes that will come into effect as of 1 July this year if the bill is passed. The effect of lifting the offset from $750 to $1,200 will be that low-income earners will effectively be able to derive up to $14,000 worth of income per year without being subject to tax. They will, of course, be subject to tax, but once the tax offset is taken into account it will offset their tax position and essentially they will have a tax-neutral position. That is a policy tool designed to increase the incentive that is available for low-income earners when making the decision about whether or not to enter the workforce or, in the case of those who have left the workforce, whether or not to re-enter the workforce.

I note that where I quoted the OECD report earlier there is reference to these low-wage traps, often known by economists as poverty traps or unemployment traps—the OECD refers to them as low-wage traps. These are the barriers to employment for low-income earners. These are the barriers that mean that for a low-income earner the difference between working and not working may be that if you go to work you end up worse off as a result of an increased effective marginal tax rate. The low-income tax offset allows us to minimise that disincentive and, as a result, provide an incentive for people to get back into work.
This is a significant issue right across the country and, as I indicated earlier, Treasury modelling says that 65,000 additional workers will be able to be brought online for the aggregate labour supply. In addition to that, the real impact for many working families in my electorate will be the impact on the second income earner. For many it is a choice, but for a lot of people it is not a choice, particularly with the rising cost of living and rising interest rates. Many families—in fact, more and more families—need a second income in order to pay for the basics: their food and their rent or mortgage repayments. We all talk about the importance of work-life balances, but in balancing those demands the second income earner—more often than not that would be a woman, but that is certainly not exclusively the case and is less so as time goes on—often faces very high effective marginal tax rates on re-entering the workforce. I know that various economists have pointed to that in the past, particularly to the interplay between the family tax benefit arrangements and the tax system. All these factors combine to emphasise the importance of any policy tool such as the low-income tax offset that provides additional incentive for those making that decision about whether or not it is worth while to go back to work.

I have spoken to many people in my electorate when campaigning over the years, and I have to say that many of them say to me that they sit down, do the figures and ask themselves, ‘Is it worth while for the second income earner to go back to work once you factor in the costs of child care?’ I will be very pleased when the opportunity arises to speak in support of Labor’s increase in the childcare tax rebate to 50 per cent, which is another very smart policy initiative insofar as many people around the place were calling for tax deductibility of childcare expenses. The childcare tax rebate at 50 per cent ensures that those on the highest marginal tax rates effectively get the same benefits as if it were tax deductible, but a greater benefit is derived for those who are low-income earners insofar as they are not limited by the amount of tax that they pay in terms of the deduction that they get—which they would be if we went down the tax deductibility path. In that regard, and particularly when you consider that the childcare tax rebate only impacts on out-of-pocket expenses, that rebate, combined with these other initiatives, will have a real impact on workforce participation, particularly for the second income earner in a family.

I was interested to hear earlier in this debate the member for Wentworth, whose contribution really did not add a lot to the debate. There was a lot of criticism of the government, there was a lot of hot air and there was a lot of spin, but there was very little substance. I think the reality of his contribution is that it underpins and reflects that, whilst the government has a policy that is being implemented, there is no alternative tax policy on the other side. I have heard and read many of the comments of the member for Wentworth criticising the government’s policies and criticising the government’s economic management, even in this early period of our government, yet there are no alternatives. The member for Wentworth talks about the need for more serious tax reform, but he has not actually articulated those proposals—at least not whilst in his current role. That is what concerns me, because he did take the trouble to articulate some of his views on tax matters before he moved into this role.

I have to say that, in relation to the low-income tax offset, I am only glad that it was
not the member for Wentworth controlling tax policy before the last election and it was the member for Higgins. Had it been up to the member for Wentworth, he would not have gone down the path of the low-income tax offset, which achieves all the equity and workforce participation gains that I have just spoken about. He put his proposal out in the form of a tax plan, or, as I think the member for Higgins previously said, ‘It is not a tax plan; it is actually 281 tax plans.’ If I could borrow from one of those tax plans—the plan to increase the tax-free threshold from $6,000 to $10,000—the flaw in that approach is that not only are you delivering an increase in the tax-free threshold for the low-income earner but also you are delivering a tax benefit to people right up the scale. It does not matter how much you are earning, you still get the benefit of that increase in the tax-free threshold; whereas, with the low-income tax offset, you have a policy that is targeted to those people who need help the most. That is why it is a policy that this government supports.

If I can also comment on some of the other proposals that the member for Wentworth outlined in his 281 tax plans. In fact, if I can read from an article in the Sydney Morning Herald dated 21 November 2005, it talks about a tax plan that the member for Wentworth espoused when he had all the freedom of being on the back bench. From it, I guess you can get a sense of what he really believes. The article announced his tax plan under the headline ‘Turnbull tax plan rewards the rich’—I am sure we are all shocked and surprised to hear that! The article states:

People earning $1 million a year would pocket income tax savings of more than $100,000 under cuts to the top marginal rate proposed by the government backbencher—
as he then was—

Malcolm Turnbull, secret Treasury documents obtained by the Herald show.

We all know they were only secret Treasury documents because the member for Higgins and his staff leaked them, because they could see the folly of his proposals. They could see that increasing the tax-free threshold was not the way to go, that the low-income tax offset was a better way to go. The article further states that, as compared to the $100,000 worth of tax cuts that someone on $1 million would have received under the member for Wentworth’s proposal, the average worker on an income of $50,000 would only get $600.

When the member for Wentworth talks about the need for audacious tax reform, since he has failed to articulate any alternative policy we can only assume that he is still advocating his 281 tax plans that he released as a backbencher. We all know that the member for Higgins is now talking about leaving this place. Who is going to stop the member for Wentworth from continuing down this path of delivering a tax policy that would achieve such inequity? That is what our proposals are about: providing greater equity in the way in which the tax system works.

I know that members such as the member for New England, who made a valuable contribution, say that it is okay to deliver benefits to low-income earners and maybe the low-income tax offset is reasonable, but we should not be delivering the other benefits. In the 2008-09 income year, the only other change will be to shift the bracket that divides those on a 15 per cent tax rate and those on a 30 per cent tax rate. We are talking about shifting that from $30,000 to $34,000. There is an equity point in this. If you introduce something such as the low-income tax offset but you do not deliver a tax benefit to those on incomes slightly above it, in the next bracket above it, you are actually creating a higher effective marginal tax rate.
for those people. In fact, this is what the previous government did on one prior occasion when they introduced tax cuts without ensuring that relief had been provided to middle-income earners.

In an article by economist and professor of public economics Patricia Apps, she said that the low-income tax offset is a policy device for reducing the transparency of the true new rate scale and has been used in successive budgets to allow the Treasurer to announce changes in the income tax scales that do not include the then 34c rate that cuts in after the 15c rate. Essentially, what is being said here is that it is critical to ensure equity that we also pass on tax cuts to those in the bracket immediately above this.

In conclusion, the policies which drive his bill are policies designed for improving and lifting our productive capacity. They are designed to increase workforce participation and, on that basis, they should be supported because that is a key plank of the government’s fight in taking up the challenge of inflation—the challenge that the previous government has left us with.

Mr SWAN (Lilley—Treasurer) (6.35 pm)—in reply—I would like to thank the previous speaker for his contribution. He is very knowledgeable about the area of tax and understands how important this bill is. The measures contained in the Tax Laws Amendment (Personal Income Tax Reduction) Bill 2008 do honour the government’s election commitment to cut personal income tax for all Australian taxpayers from 1 July 2008. Importantly, it implements important taxation reform which has long been put forward by this government to position the economy for continued growth and also to modernise our economy. As uncomfortable as it is for those opposite, the key elements of these tax reforms—the increases in the threshold for the 30c rate and significantly enhanced low-income tax offsets—date back to Labor’s tax response in the 2005 budget. They were good policies then and they are good policies now. They allow Australians to keep more of their earnings and reduce effective marginal tax rates that may distort behaviour. That is a very important point, and one well made by the member for Lindsay.

The economic benefits of these important tax reforms appear to have been overlooked by many commentators who have engaged in public debate about the merits of these tax reforms in recent weeks. In my summing up, I wish to respond to some of these public comments and provide some up-to-date analysis on the impact of these tax reforms on individuals and on the economy. It is only proper that I acknowledge the vigorous public debate that has occurred in recent times.

A number of commentators have made the charge that these tax reforms will heighten inflationary pressures in the economy and will make the job of the Reserve Bank harder in tackling inflation. With respect, I completely disagree with that assessment. The argument overlooks a number of important factors that are relevant when assessing the likely macroeconomic impacts of these tax reforms, coupled with other reforms which the government is implementing.

First and foremost, the argument overlooks the fact that these tax reforms are specifically designed to increase labour force participation. That is very important. As we know, the inflationary pressures that are currently evident in the economy are a product of skills shortages and labour shortages more generally, although if you listened to the opposition you would never know that there was something like a labour shortage or skills crisis in this economy. Well, in fact, there is. Chronic labour and skills shortages are reported regularly by business as the most significant constraint on their expan-
These in turn do put pressure on wages and inflation. Effectively dealing with this problem requires strategies that both tackle the skills shortages and lift workforce participation.

The government has already announced 450,000 new skilled training places, including 25,000 which are being rolled out between now and July. Indirectly, the tax reforms in themselves increase financial incentives for skills formation because they increase the marginal gains associated with higher wages that typically flow from higher skills attainment. Added to this, the tax reforms will enhance incentives for those currently out of the labour market to re-enter the labour market. They will also result in those already in the labour market increasing the hours that they work. Analysis has been undertaken by the Treasury which examined the labour supply aspects of personal income tax reforms. It is anticipated that the tax cuts will, over time, result in an additional 2.5 million hours of work being added to the economy each week. The result of this will be approximately 65,000 additional people in the workforce.

It is worth noting that the largest effects result from the increase in the threshold for the 30c rate as well as the increase in the low income tax offset. This is very important. According to the Treasury modelling, 35,000 of the labour supply response will result from increases in the 30c rate. Twenty four thousand of the increase will result from an increase in the low-income tax offset. The reason for this is that labour supply elasticity is generally much higher for those on lower incomes, particularly for second-income earners. It is with good reason, then, that the vast bulk of the tax cuts introduced in 2008-09 are targeted specifically at this group. Almost 90 per cent of the tax cuts to be delivered in 2008-09 relate to the increase in the 30c threshold and the increase in the low-income tax offset. It is worth noting that these labour supply estimates exclude the impact of the increase in the childcare tax rebate to 50 per cent from 1 July 2008.

The impacts of these changes should not be underestimated. Cameo analysis by the Treasury suggests that, compared to the current tax and childcare settings, a second-income earner with a partner on average earnings and two young children will have their take-home pay from part-time work of two days a week boosted by 45 per cent as a result of the tax and childcare measures taking effect from 1 July 2008. That is a very substantial increase and a massive boost to the incentives for many second-income earners, many of whom are already highly skilled. ABS surveys indicate there are around 100,000 parents who would re-enter the workforce if affordable quality child care were available. These reforms aim to unlock some of these numbers.

The government’s tax reforms will of course increase disposable incomes, and we make no apologies for that. The government does not, however, accept the argument that these gains in disposable income will flow entirely through to consumption, thereby adding to inflationary pressures. By increasing the disposable income of households, these tax cuts will provide much-needed relief for working families. In particular, they will assist households to retire debt and repair their household balance sheets. In the current climate it would indeed be a rational thing for many households to do, and I certainly would encourage them to do that. This government trusts Australian families to know how best to use the tax cuts. They are in the best position to decide how to balance their household budget prudently and they will be in a better position to do so as a result of these tax cuts.
In saying that, I am mindful of the latest household savings ratio, which has remained positive for the seventh consecutive quarter. I would also like to note that gains in disposable income that flow from these tax cuts should also assist in moderating wage pressures. Workers will keep more in their hand from their existing wages and will keep more of any future wage increase than would be the case if there were no tax cuts. This effect is further reinforced by the government’s decision to incorporate half of the low-income tax offset into the PAYG withholdings. The final point that I would like to note is that the tax cuts will be progressively phased in, taking effect in three stages—from 1 July 2008, 1 July 2009 and 1 July 2010—to better match the supply capacity of our economy.

I would like to talk a little about the government’s reform goals. The tax reforms contained in this bill represent a down payment on the Rudd government’s aspirational tax reform goals. During the last election campaign we outlined our ambitious long-term reforms. Australia needs a clear destination point for the future of its tax system, not just the incremental adjustment to thresholds which the former Liberal government specialised in either at budget time or at election time.

Subject to sound growth outcomes and budget surpluses, the Rudd government has set itself a goal over six years to deliver by 2013-14 a simpler, more competitive tax system with three marginal rates of 15c, 30c and 40c. In addition, we plan to lift the effective tax-free threshold to $20,000 for low-income earners through the low-income tax offset. This will further reduce effective marginal tax rates for low-income earners, who get punished when they work additional hours. As the member for Lindsay was saying, families do not work additional hours because they lose so much of their additional income in very high effective marginal tax rates. This will further reduce effective marginal tax rates for low-income earners, including those moving from welfare to work and second-income earners. It will also improve the tax system and make it more progressive.

These tax reforms when fully implemented will bring important structural benefits. Not only will they further boost incentives for workforce participation and skill formation but they will better align our personal income tax system with the business tax system, reducing incentives for individuals to engage in unproductive arbitrage between the two systems due to differing tax rates.

Labor has a proud record of personal income tax reform. When we were last in government, Labor slashed the top marginal rate from 60c in the dollar to 47c—in 1993; cut the bottom marginal rate from 30c in the dollar to 20c—by 1993; cut the corporate tax rate from 46c in the dollar to 36c; and introduced dividend imputation to prevent the double taxation of company income. These were significant reforms.

Nothing done by the Liberals in the subsequent 11 years has come close to the quantum of tax cuts achieved by the previous Hawke and Keating governments. Instead, Australian taxpayers had to wait six years for their next personal income tax cuts, which were delivered in 2000-01. Even then, the tax cuts were, substantially, compensation for the GST, with the balance reflecting the partial return of bracket creep over the previous six years. Since then, we have seen ad hoc tax cuts which were devised without a destination point. Indeed, the OECD last night highlighted the evolution of the tax burden under the former government, and it was not a pretty picture.
The OECD report *Taxing wages* confirms the need for the Rudd government’s personal income tax cuts, which are fairly and squarely targeted to low- and middle-income earners. The report released provides a detailed picture of the evolution of the tax burden on the wage earners of Australia over the past seven years. In five out of eight household types, the tax burden increased over the period from 2001 to 2007. It is worth noting that the results are sensitive to the starting point chosen. As I noted earlier, the year 2000 is not an appropriate starting point because the tax cuts provided in that year were to compensate for the GST and they followed six consecutive years of no personal income tax cuts. The OECD singled out Australia as one of the few countries in the OECD which, over the past seven years, have provided greater tax cuts to high-income earners than low-income earners. This is what the OECD noted:

*Across OECD countries, tax changes have tended to favour low-wage earners. But in a few countries—Australia, Canada, Germany, Iceland, Korea … tax reforms have mainly benefited higher-income groups.*

That was the conclusion of the OECD. This may have been the case in the past under the Liberals but, looking forward, the Rudd government’s personal income tax reforms will deliver proportionate benefits to lower and middle-income earners. Preliminary estimates from the Treasury suggest a so-called tax wedge on low-income earners will fall from 23 per cent, as published in the OECD report for 2007, to 20.1 per cent from 1 July this year. To this end, I table the summary results from this report, including the Treasury estimates of the tax burden from 1 July 2008 for eight household types examined in the report.

I would like to respond to the claims of those opposite that the Rudd government will hoard the taxes of Australia. This is an extraordinary claim from members of the previous government, which ran the highest taxing government in Australian history. To make it perfectly clear: the Rudd government are committed to keeping taxes as low as possible, consistent with the provision of quality public services. The government have committed to significant personal income tax cuts in the forward estimates and have outlined our aspirational tax goals for the future. We also recognise that, in the current economic circumstances, there does need to be a disciplined fiscal policy. To this end, we have committed to achieving a surplus of at least 1.5 per cent of GDP in 2008-09. This will allow the budget to move with the economic cycle and help take pressure off inflation by making the Reserve Bank’s job easier. Pretending there is no inflation problem, like those opposite, would do a great disservice to families and the economy.

The tax reforms in this bill are fiscally responsible and are designed to enhance individual incentive, workforce participation and productivity, particularly for part-time workers and secondary income earners. This will lift the supply capacity of the economy and, ultimately, help to fight inflation and prepare Australia for its future economic challenges. These tax reforms will reward the hard work of Australians whose efforts are so critical to keeping our economy strong. Importantly, the tax changes are built on the foundations of a more internationally competitive tax system that will further enhance the productive capacity of the Australian economy. I thank all those who have participated in this debate, and I commend the bill to the House.

Question agreed to, Mr Windsor dissenting.

Bill read a second time.
Third Reading
Mr COMBET (Charlton—Parliamentary Secretary for Defence Procurement) (6.50 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

COMMONWEALTH AUTHORITIES AND COMPANIES AMENDMENT BILL 2008
Referred to Main Committee
Mr PRICE (Chifley) (6.51 pm)—by leave—I move:
That the bill be referred to the Main Committee for further consideration.
I inform all honourable members that this motion enjoys the support of the Chief Opposition Whip, the honourable member for Fairfax.
Question agreed to.

TELECOMMUNICATIONS LEGISLATION AMENDMENT (COMMUNICATIONS FUND) BILL 2008
Second Reading
Debate resumed from 13 February, on motion by Mr Albanese:
That this bill be now read a second time.
Mr BILLSON (Dunkley) (6.52 pm)—I am encouraged by the second reading stage of this bill but discouraged greatly by its contents. The Telecommunications Legislation Amendment (Communications Fund) Bill 2008 aims to amend the Telecommunications (Consumer Protection and Service Standards) Act 1999 to enable money in the Communications Fund to be used for purposes relating to the creation or development of a broadband telecommunications network, if required. That sounds impressive, but it is actually a smash-and-grab raid. This bill is an attempt at legalising a state-sanctioned smash-and-grab raid on resources set aside and quarantined for rural, regional and remote Australia to ensure they have future proofing security of their telecommunications services. The bill that the previous government introduced protected this fund from this very kind of smash-and-grab raid. This smash-and-grab raid would be illegal under the law as it stands.

Labor is trying to make it lawful to reach into the Communications Fund, pinch the $2 billion that has been set aside for rural and regional and remote Australia, pinch the $400 million of interest earned on those funds being invested every three years and then apply them to some vague, yet to be determined city-centric idea that has been a sound bite for the ALP for some time, a sound bite that the Rudd government is struggling to turn into sound public policy. This bill is the first step in pinching those resources from rural, remote and regional Australia.

The background of this matter is well understood by members in this place. The background was partly, I think, a credit to the financial discipline, the long-sightedness and the understanding of public policy challenges that we saw under the Howard government. Under the Howard government’s overall fiscal strategy there was a recognition that resources needed to be set aside for rural, remote and regional communities to ensure that where there were examples of inadequate services something could be done about them. It was also recognised that the resources would be there, quarantined, locked away for those rural, regional and remote communities which needed the assistance and which, on very sound and principled public policy grounds, could call upon the support of the taxpayers of Australia to address those inadequacies, to address the digital divide between the services that they were able to enjoy and access and those that
metropolitan communities had at their fingertips. That was the idea, that was the motive and those were the sound public policy grounds on which the Communications Fund was established.

What we are seeing tonight is the first effort to unravel all of that sound public policy, all of the security, the future proofing protection, the very resources that remote, rural and regional Australia had looked for to give them comfort so that, as the technology moved forward, they would not be left behind. Not only do they now risk being left behind if the Rudd government gets its way; they also risk being left further and further behind, because the structure of the Communications Fund was such as to ensure that those measures were there in perpetuity and that today’s service deficiencies, identified by an independent review, could be addressed with resources—the revenue stream from that $2 billion that had been set aside. If, as technology moved forward, there was a new gap, a new emerging digital divide between the services of metropolitan Australia and those available to rural, regional and remote communities, then, again, a further intervention was possible and the security, the insurance, was there for those people living outside our metropolitan and outer urban communities.

The package that is being unravelled tonight is a stake in the heart of the Howard government’s efforts to protect the interests of rural, regional and remote Australia. The funding which was set aside—and allocated in September 2005 to the fund—with money invested in a short-term deposit with the Reserve Bank, with a low-risk investment framework and subsequently managed by the Australian Office of Financial Management, was an agreed pathway, which this parliament supported. The package, of which this funding was a part, was aimed at addressing concerns about the adequacy of telecommunications in rural, regional and remote parts of Australia and about it going forward.

The income stream from the interest earned on that $2 billion fund, invested conservatively, as was the legal requirement, was $400 million every three years. It was quarantined to be used to finance the government’s response to independent reviews of regional communications services. These funds were then allowed to be available for infrastructure upgrades, if that was appropriate, in regional and remote communities or for the construction of additional mobile phone towers, the availability of broadband or even backhaul fibre capabilities, or to provide the opportunity, where price was prohibitive, for people living outside the metropolitan area to address that price barrier so that the digital divide did not see people living outside our metropolitan cities left behind. This was a measure that had longevity. The perpetual fund was sound, it was fiscally conservative, it was forward looking but it is being abandoned by the Rudd government in the parliament this evening.

The key guiding philosophy, though, was making a commitment to ensure that Australians, regardless of where they lived in this vast continent of ours, had access to affordable and reliable telecommunications services. This was future proofing in perpetuity. The spending of the fund’s resources, as I mentioned, was required under the law to be activated by independent reviews. These independent reviews—one is currently underway, as we speak—would bring forward recommendations to government and the government would respond to those recommendations and be able to draw from the resources of the revenue stream from this fund.

It is extraordinary: right now, one of these independent review committees, under the chairmanship of Dr Bill Glasson, a highly regarded Australian, is doing the very work...
that is asked of it—the very work that is the precondition for spending this money. Last week Senator Conroy issued a statement urging the people of South Australia to have their say about the adequacy of rural, regional and remote telecommunications services. How ironic: Senator Conroy and the Rudd government inviting people to have their say, to contribute to a review, a review that under the law as it stands had resources available to implement its recommendations! How ironic: the Rudd government are encouraging people to have their say, while they are raiding those very resources—stealing the tools that are needed to implement the recommendation of the very review that Senator Conroy is encouraging people to participate in!

This statement is similar to one that was made in February this year when there were public meetings in Victoria and Tasmania. Another press release in early February welcomed the launch of the committee’s program of public meetings—18 scheduled over four months. Nowhere did the Rudd government—or Senator Conroy, as the responsible minister—highlight the fact that all of this committee’s work was being undermined by the fact that resources to implement the recommendations were being raided. This is rank hypocrisy. This is deception of the highest order and a betrayal of the people of rural, regional and remote Australia, because this matters a lot to them. We have heard in debates in this parliament over many years that communications is the thing that can bind our vast continent together. The people in rural, regional and remote Australia wanted to make sure that they did not miss out on the information superhighway. The digital divide was something that concerned them. They would look at their cousins, at their family and friends, in the metropolitan area and see the vast array of service options available to them and then reflect on their own circumstances in those regional areas and wonder whether they were going to access the benefits of these emerging technologies.

What we see tonight is the first effort, the start of the smash-and-grab raid by the Rudd government on resources secured for, designated for and quarantined for the people of rural, regional and remote Australia to future proof their communications services. Isn’t it interesting? We have seen in this parliament this week the fiscal conservatives of the Rudd government attack the weakest, the most vulnerable, the selfless people in our community—our carers and our seniors—as some kind of a strategy. We have seen lots of flip-flopping by the Rudd government trying to recover its position, bereft of an understanding of proper government policy and of which Australians need our help and our voice. And they have recovered from that. Do you see the parallels here, though? The same thing is happening. The service rich, those with service choices, under the Rudd government plan are going to be further advantaged while the service disadvantaged, those more vulnerable in terms of service availability, choice and price, are having the resources that have been set aside by the nation and by this parliament taken away from them. So the most vulnerable and the most disadvantaged groups in our community in communications services are having their lifeline, their future-proofing resources, stolen so that there is some prospect that those already advantaged in the metropolitan communities can be further advantaged with the benefit of taxpayer resources. What a remarkable concept. What kind of public policy notion is this? What a reckless raid, what an insensitive act and what thoughtlessness it shows about the disadvantage that this parliament seeks to address. We see the Rudd government trying to further exacer-
bate that disadvantage by raiding the resources put in place to address it.

If this legislation passes, what will it achieve? It will free up the cash so that the Rudd government may, on some vague idea yet to be defined, spend it on a city-centric fibre broadband proposal that it cannot actually describe yet. No-one knows quite what it is, because it changes every other day. That fails the credible public policy test, particularly when you see that often the fund, in responding to communications service disadvantage, addresses the fact that population dispersal, remoteness and separation from population centres are the very causes of the communications disadvantage that rural, remote and regional communities have. In some cases, the services that people would like are, in the eyes of the private sector, uneconomic and non-commercial to deliver. The Communications Fund can play a constructive role in addressing that uncommercial and uneconomic service barrier by reducing the gap and making the services available, affordable and accessible. Instead, those funds—designed to enhance accessibility and affordability—are getting ripped out of the area of disadvantage and tantalisingly dangled in front of businesses, companies, telco organisations and consortia to be spent on a metropolitan focused broadband network that the private sector says they are happy to fund anyway. Isn’t that bizarre?

What a new notion of public policy: displace private sector investment in more highly-populated areas, where broadband and communication services are more commercially viable because of the critical mass of people and users, with taxpayer funding of up to $4.7 billion.

This bill aims to open up the locked box of the Communications Fund and put about $2½ billion into a fantasy—that yet-to-be-defined idea that has got everybody confused and bemused—as the government tries to work out how to turn a sound bite on fibre to the node into sound public policy. We need to watch this space because, if this legislation passes, the Rudd government could make an unconditional grant to telcos for broadband work or whatever. It could even own or operate some of the infrastructure itself or renationalise part or all of the network. It could do all of those things and do them by turning its back on the rural, regional and remote communities for whom this Communication Fund provided future-proofing insurance.

When you look at some of the thinking that is going on around this you just wonder what the motive is. There are vague city-centric plans. They want money so it can be advertised; I think that is a financial management act requirement. The Rudd government are not actually sure what they are advertising, so they have created an expert panel. This expert panel trumped an earlier expert panel that was doing all of this work anyway. This was done, again, for optics for the Labor Party. You would hope that the expert panel would have sound public policy motivating it and the consumer interest shaping its deliberations. Some of the key public policy agencies, like the ACCC and the Productivity Commission, can throw in reports, but whether they amount to anything will be up to this expert panel, and no-one on the expert panel actually has as their motive the long-term interests of the consumer. These are worrying times. These are concerning times. The justification that the Rudd government offer in response to very real fears about what it is planning to do is that it has some kind of a mandate. To recklessly use funds set aside—quarantined—to address service disadvantage in rural, remote and regional Australia and to displace private sector investment in the sectors of the market which are commercially viable is quite a bizarre public policy idea.
When you point this out, you get an arrogant response from the new government. It uses the ‘we have a mandate’ line to justify what it tries to do as it works its way through its self-created fog. But, if you look around, you begin to wonder just what kind of a mandate it is talking about. If you look at the representation of the Liberal and National parties in the regional and rural populations of Australia, you will quickly realise that the mandate in the regional and rural context of this nation very much rests with the coalition, due to its strong representation in those areas. It is trusted to do the right things. By seeing this smash-and-grab raid that is against their very interests, those communities have been further reinforced in their view that the Liberal and National parties will look after them.

It is really quite a worrying time. The President of the National Farmers Federation, David Crombie, hit the nail right on the head when he said in the IT section of the 5 November edition of the Australian:

Given Labor will spend rural Australia’s telecommunications insurance policy—the $2 billion Communications Fund—how will they guarantee rural Australians get telecommunications upgrades into the future?

That is a very good question. It is a question that the Rudd government has failed to answer. If the government spends this money, the future telecommunications needs of the bush will need to be addressed somehow. If the government spends this money and it is not available to be drawn upon, the process of these independent reviews is fundamentally compromised. Given Labor’s track record in relation to rural, regional and remote Australia, you can be very worried about whether those non-metropolitan communities will actually get a look in. So this is an important time.

The justification for this raid, and the underlying motive for this bill, is to free up some resources, to raid the insurance policy for communications into the future for rural, regional and remote communities. Then the government are looking to spend that money on fibre-to-the-node pronouncements which the government and Senator Conroy have spectacularly failed to articulate in a clear way or to ground in sound public policy arguments. They have been musing a lot. I say ‘musing’ as there is precious little detail and repeated redefinition of Labor’s plan—whatever it is.

Is its intervention going to be as a potential owner, an operator, a unit holder, a shareholder, an equity holder, a non-equity holder, a benevolent contributor, a commercial investor or a PPP purchaser? Is it a contestable or a non-contestable grant process? Is it for part of the continent or for all of the continent? Need it only be one partner, if it is indeed a partner at all? Is it fibre to the node or fibre to the home? Is it technology specific? Is it speed specific? Is wireless in or out? VDSL was pronounced by the minister to be something new when most people thought it was something not so new. This is all part of the fog that the Labor government is creating. The only real, tangible thing we see is this smash-and-grab raid on the Communications Fund. Frankly, it is long past time for the Rudd government to work out what it is doing to get past the optics of its fibre optic pronouncements.

We need to remember that Labor tried to convince the Australian public before the election that a vote for Labor would rocket us overnight from the Stone Age into the space age. They said we would go from being the Flintstones to being the Jetsons overnight. We know that is not true. We know that the nation is well placed. It has a solid platform on which to build communications infrastructure choice and competition in this country. The key thing, and the thing this bill fails to address, is what are the clear, justifi-
able and principle public policy objectives and motivations for engaging in the telecommunications sector, where we have been trying to foster and encourage competition and choice over many years.

We hear talk that this is all about speed being available to people. I have here a very interesting map. Thankfully, it is not a satellite photograph of fires in Sydney. The colours on the map represent the internet broadband speeds that are currently available in Sydney. All the red and orange blotches represent areas that have access to speeds of 12 to 14 megabits per second or above. Yet the Labor Party is running around saying it wants to spend $4.7 billion of taxpayers' money to achieve the very thing that is already there, as is indicated by the red bits on this map.

This seems to be dawning on the Labor Party, as the minister has announced a show-and-tell requirement of all those currently involved in the provision of telecommunications, particularly those involved in broadband. The member for North Sydney is now looking with amazement at just how many of these areas around greater Sydney actually have speeds of 12 or 14 megabits per second and above. I am indebted to the work of Internode and iiNet for their studies. They have actually done some very good work to establish the kinds of speeds that are available to the vast majority of metropolitan users of the technology.

This brings me to my next question. Given that the private sector is commercially investing in the technology and delivering those supposed benchmarks of 12 megabits per second and above—as we see represented by all the red bits on this map, and these are just parts of Sydney—if Labor do get to a point where they sort out their own thinking, what are they actually going to do? Are they going to spend the taxpayers' money putting bits in between the bits that are already there and that are owned by the private sector and get more red bits? Are they going to start again? Are they going to pursue the Axia proposal, which I understand is based on success in Canada and France, where they competed for public money to put a fibre backbone around those areas that were being serviced and then allowed the service providers to bolt on and connect in at a number of connection points? Are they going to do that? Are they going to displace all of the investment that is currently there? Is the $4.7 billion actually going to compensate the private sector that is already doing much of this work as Labor renationalises our telecommunications system?

I was listening at the ATUG conference this morning, where Art Price, CEO of Axia Netmedia Corporation, was talking about the experience in Canada and France. He made a very interesting presentation about the need for an uncompromised wholesale provider, the relationship between the grid backbone, what a federal government may or may not do and localised rollout. It was interesting. He thought the fibre backbone across the continent of Australia would be a $2.1 billion build proposition—with 16,437 kilometres of fibre and with communities-of-interest nodes and connection points all around, which service providers can connect to. He said that is worth a little over $2 billion.

So is the $4.7 billion really about buying out and compensating those private sector organisations that are already operating in this space? Is it about compensating them for the stranded infrastructure that all of a sudden will be dangling off another network that perhaps is not the flavour of the day—and the businesses that are part of servicing the broadband community with a range of speeds and different technologies? Is that what this is really about? Frankly, it is hard to know. I urge the Rudd government to put
more of its effort into the important national interest task of translating its pronouncements on fibre networks—its PR, its sound bites—into sound public policy, because there is a lot of work to be done there. A smart way of moving that forward would be to pick up the very credible work that the former government was doing—recognising that there are profound implications for competition, access regimes and competitive frameworks in this decision. You do that by making sure the people involved in those deliberations have the technology, the horsepower, the insight and the expertise to make that contribution.

I touched earlier on the issue of the expert panel that the minister has formed. I called on him today to make sure that consumers have a voice. ATUG should be invited to nominate an expert to participate in that process so that this is not an exercise that sees powerful telcos wrestling with each other and trying to position commercially for their best advantage. The consumers’ long-term interests must be front and centre. They must be the brightest light that is guiding people’s work in this area.

I also called on the Rudd government to release the advice that the expert panel provides. Given the significant amount of public funding involved and the significant public interest, this material should be available so that all can consider it. The Productivity Commission and the ACCC—‘the commission twins’, as I call them—should not just be like any other input provider; they should be front and centre in those deliberations. I think that would go a long way towards enhancing the work of the Rudd government by translating its sound bites on fibre into sound public policy. But even if they get to the point where all that is sorted out, I feel that I have a contribution to make. I have already helped Senator Conroy, who is now starting to realise that there is a whole lot more going on in this area than just running with the pre-chewed focus group lines that were there for the last election. He is coming around on that. He is probably addressing the issue that private sector investment is already being put on hold while telcos hope and wait for the fibre-to-the-node fog to clear.

We have a Labor government that is thinking of displacing private investment with public funding. These are not the actions of a fiscally conservative government that is aiming to properly target taxpayer resources within the framework of sound public policy principles. These are not the actions of a fiscally conservative government that recognises we are in a market economy and that we value competition and choice in the telecommunications sector.

In the few minutes still available to me, let me draw us back to the bill. Even with a successful outcome on more fibre—where somehow the Rudd government finds its way through the self-created fog and works out how to have that intertwined with the considerable private investment that is already there—distance and low-population density equal cost. There is still a need to address the disadvantage in terms of cost and service availability in rural and regional Australia, even if this network of enhanced fibre, or more fibre, or whatever it is, ends up a reality. This is what the Communications Fund aimed to do. The Communications Fund was not there to be raided for a one-off cash grab to spend on a one-off project that will forevermore address the needs of rural and regional communities. You only need to look at some of the discussion that surrounded ADSL services. You only need to look at the cost differences that the ACCC and service providers recognised between those in metropolitan areas and those in the more remote areas. The cost of access for a user in a remote area was four or five times more—in
some cases, 20 times more—than it was for a CBD user.

The Communications Fund was able to do something about that. If this bill goes through and that fund is raided, the chance to do something meaningful for rural, regional and remote communities will be lost. Rural, regional and remote communities see in the Communications Fund an assurance that the digital divide will not be widened and that they will have properly targeted support and sound, policy-guided assistance that is funded by the taxpayer. That will be lost. This will be a great shame. It stands as another example of how the Rudd government targets those who are disadvantaged and vulnerable and advantages those who are already well served in terms of choice, opportunity and service availability. I encourage the House to oppose this bill with great vigour.

Debate (on motion by Mr Combet) adjourned.

AMENDMENTS TO STANDING ORDERS

Debate resumed.

Mr HOCKEY (North Sydney) (7.20 pm)—The opposition will not be opposing the proposed changes to the standing orders. However, there are a number of points that need to be placed on the record. The first point is that the Friday sittings have been a complete disaster for the government. They introduced Friday sittings and changed the standing orders in a very substantial way without in any way consulting with the opposition. The first point is that the Friday sittings have been a complete disaster for the government. They introduced Friday sittings and changed the standing orders in a very substantial way without in any way consulting with the opposition. Prior to Christmas the new Prime Minister boasted to the Australian people that if parliamentarians did not have five days of sittings then they were lazy. Quite frankly, that was an affront to every parliamentarian who has sat in this chamber since 1901, because the chamber has never sat on a regular scheduled basis for five days a week—never. It is also the case that, since 1901, there has never been a regular scheduled sitting day of this parliament without a question time.

Mr Price interjecting—

Mr HOCKEY—I hear the interjection from the Chief Opposition Whip, who was the architect of ‘farcical Fridays’ in an attempt to try and play a rather cute political game where ministers and the Prime Minister would not have to attend on a Friday and could therefore travel around the country visiting the electorates of members of the opposition who were in the parliament doing the yards making a difference for their constituents.

Without going through the entire history of the standing orders of the parliament, which I will save everyone from, I will say this; these were ill thought through changes to the standing orders. Without the decisive action of the opposition, there would have been a failure to recognise that the standing orders set up by the engineer of Friday sittings, the Leader of the House, would not have been constitutional. It is not in compliance with section 39 of the Constitution to hold Friday sittings without a quorum. How absurd it was to have actual sittings where a quorum is called and the parliament itself is not the quorum, and where a Speaker, as you quite correctly identified, Madam Deputy Speaker Burke, is unable to establish that there is a quorum in the chamber. Section 39 of the Constitution is explicit in the demand by the founding fathers that the parliament have a set quorum in order to be able to sit; yet, through rather cute mechanisms, the government, in a very naive and obviously unlawful way, tried to establish new standing orders that would prevent the establishment of a quorum.

It is also the case—and we saw it quite vividly on Tuesday when the delayed divi-
sions were held in quite extraordinary circumstances—that, because those divisions had been poorly thought through, the government had to bring forward the sitting on Tuesday by one hour to allow for outstanding divisions to be counted. We saw only too obviously those divisions become a farce in themselves because, even though the member for Moncrieff, who is in the chamber, and the member for Cowper respected the Speaker’s decision for them to leave the chamber for 24 hours, there was a further vote on the next sitting day to uphold the naming of those members, and they were suspended for a further 24 hours. Had they openly defied the Speaker and refused to leave the chamber—and you were in the chair, Madam Deputy Speaker, so you know it—you would have had to close down the chamber because the Speaker would have been unable to enforce the Speaker’s decision. If the member for Moncrieff and the member for Cowper had not left the chamber, we would have quite graphically understood that there could be a total humiliation of the Speaker rather than just a partial humiliation of the Speaker.

The DEPUTY SPEAKER—I might just say to the member for North Sydney that he is straying near to reflecting on the chairs on the day and I think he should come back to the point.

Mr HOCKEY—Thank you for that guidance, Madam Deputy Speaker, but this does relate to the standing orders. How the chair feels I am not too sure and quite frankly, given the situation, I am not really interested. I make this point: substantial changes to the standing orders have always come out of either the appropriate committee, which is the Procedure Committee of this House, or negotiation between the government and opposition. Neither of those has occurred on the two occasions. On the first occasion, when the government came in with new standing orders, there was no consultation with the opposition, and significantly it did not come from the Procedure Committee of the House. Secondly, these new standing orders, which were foisted upon us at 7.30 this morning, did not go through the Procedure Committee; nor was there consultation with us. So the government have set precedents here. They are very sad, regrettable precedents but they are precedents.

We are not opposing these changes to the standing orders because we believe that ultimately they mean an end to farcical Fridays. We are happy to see the end of the most disastrous first term initiative from this government in just three months.

Question agreed to.

BUSINESS

Consideration of Private Members’ Business

Report

Mr PRICE (Chifley) (7.27 pm)—I present the report of the recommendations of the whips relating to the consideration of private members’ business on Monday, 17 March 2008. Copies of the report have been placed on the table.

The report read as follows—

Pursuant to standing order 41A, the Whips recommend the following items of private members’ business for Monday 17 March 2008. The order of precedence and allotments of time for items in the Main Committee and Chamber are as follows:

PRIVATE MEMBERS’ BUSINESS

Notices recommended for Main Committee (6.55 to 8.30 pm)

1 Ms Hall: to move:

That the House:

(1) recognises that epilepsy is the most common serious brain disorder and is the most universal of all medical disorders;

(2) acknowledges that 200,000 people live with epilepsy at any one time in Australia and that
up to three times as many Australians will have epilepsy at some time in their lives;
(3) that people living with epilepsy are disadvantaged by lack of research into the disorder and by the lack of a national plan for epilepsy or deeming it a disorder that is a national priority;
(4) acknowledges the impact that epilepsy has on the lives of people living with it;
(5) calls on the Australian Government to fund greater research into epilepsy; and
(6) calls on the Australian Government to establish a nationwide educational strategy on epilepsy modelled on the World Health Organisation’s global campaign.

Time allotted—30 minutes.
Speech time limits—
Mover of motion—5 minutes.
First Opposition Member speaking—5 minutes.
Other Members—5 minutes each.
[Minimum number of proposed Members speaking = 6 x 5 mins]
The Whips recommend that consideration of this matter should continue on a future day.

2 Mr Broadbent: to move:
That the House consider what action should be taken by the Australian Government in response to the humanitarian tragedy that is Darfur.

Time allotted—30 minutes.
Speech time limits—
Mover of motion—5 minutes.
First Government Member speaking—5 minutes.
Other Members—5 minutes each.
[Minimum number of proposed Members speaking = 6 x 5 mins]
The Whips recommend that consideration of this matter should continue on a future day.

3 Mrs Gash: to move:
That the House:
(1) calls on the Australian Parliament to adopt a bipartisan approach to improving the provision and delivery of disability support and care to Australians living with severe and permanent disability, their families and/or their carers;
(2) considers that for too long the ball of responsibility for the funding and delivery of disability support and care has been kicked between Federal and State governments and that game has to end; and
(3) considers that the Federal Parliament must address the need for improved disability funding, support and services to see progress is continued beyond the individual terms of governments and is coordinated at such a level that inter-governmental disability service provision is clear, concise and indisputable.

Time allotted—35 minutes.
Speech time limits—
Mover of motion—5 minutes.
First Government Member speaking—5 minutes.
Other Members—5 minutes each.
[Minimum number of proposed Members speaking = 7 x 5 mins]
The Whips recommend that consideration of this matter should continue on a future day.

Notices recommended for House of Representatives Chamber (8.30 to 9.30 pm)
1 Mr Georgiou: to present a Bill for an Act to appoint an independent reviewer of terrorism laws, and for related purposes. (Independent Reviewer of Terrorism Laws Bill 2008.)
Presenter may speak for a period not exceeding 5 minutes—pursuant to standing order 41.

2 Mr Clare: to move:
That the House:
(1) notes:
(a) the pain being felt by Australian families struggling to pay off mortgages due to rising interest rates;
(b) the failure of the previous government to heed the warnings of the Reserve Bank; and
(c) the need for low cost home ownership and reduced entry costs for home buyers
as well as a range of rental options for moderate to low income households;
(2) supports the Government’s commitment to tackling this problem by appointing a Minister for Housing and by making it a key priority for COAG in 2008; and
(3) welcomes the Government’s plan to help first homebuyers break into the housing market with the first-home saver account scheme.

Time allotted—30 minutes.
Speech time limits—
Mover of motion—5 minutes.
First Opposition Member speaking—5 minutes.
Other Members—5 minutes each.
[Minimum number of proposed Members speaking = 6 x 5 mins]
The Whips recommend that consideration of this matter should continue on a future day.

Mr Abbott: To move—That the House:
(1) calls on the Government to end the permit system preventing access to remote Northern Territory townships;
(2) calls on the Government to restore the pornography bans put in place by the former Government; and
(3) urges the Government to not further water-down the Northern Territory intervention.

Time allotted—25 minutes.
Speech time limits—
Mover of motion—5 minutes.
First Government Member speaking—5 minutes.
Other Members—5 minutes each.
[Minimum number of proposed Members speaking = 5 x 5 mins]
The Whips recommend that consideration of this matter should continue on a future day.

In moving that the report be adopted, may I apologise to honourable members. This ordinarily would have occurred much earlier but it awaited the passage of the new standing orders. I also place on record my appreciation of the Chief Opposition Whip. We needed to negotiate somewhat blind as to what the actual standing orders were and I very much appreciate his cooperation. I point out to all honourable members that, of course, the Chief Opposition Whip, the honourable member for Fairfax, concurs with this report.

Report adopted.

ADJOURNMENT

Mr COMBET (Charlton—Parliamentary Secretary for Defence Procurement) (7.28 pm)—I move:
That the House do now adjourn.

Investing in Our Schools Program

Mr CIOBO (Moncrieff) (7.28 pm)—I rise tonight to talk about the decision of the Rudd Labor government to abolish, or not continue, the Investing in Our Schools Program. This is an important program that was instituted by the Howard government that, on the Gold Coast alone, saw an investment of some $8.4 million into local schools—a $1.2 billion program across Australia that has now been slashed by the Rudd Labor government. It is a great shame, because the Rudd Labor government does not have the wherewithal in the current circumstances to ensure continued investment in local schools.

With respect to schools on the Gold Coast I would like to talk directly to the P&Cs and the local school communities about the ways in which the Investing in Our Schools Program made a very material difference to the way that schools functioned and the kinds of facilities they had available to them. For example, Bellevue Park State School received a grant of $42,990 to upgrade junior school playground equipment. Benowa State High School received a grant of $49,541 for ICT improvements. Benowa State School received $150,000 under the Investing in Our Schools Program for classroom refurbishment. Broadbeach State School received
$150,000 for a hall refurbishment. Surfers Paradise State School received $150,000 for air conditioning. Benowa State High School received a further $100,000 for reverse cycle air conditioning. And in schools like Nerang, which are located in more socioeconomically disadvantaged parts of my electorate, we saw for example a grant of $24,000 to Nerang State School for library resources and a grant of $132,000 for school grounds improvements at Worongary State School.

So I say to all the P&C presidents, to the school principals, to the school communities around all of those schools in my electorate, and broadly across the Gold Coast and across Australia: this program has now been slashed by the Rudd Labor government. And at this point in time we are not seeing any further investment by the Rudd Labor government in this kind of program. There has been discussion that the Rudd Labor government intend to invest money in every school having computers. We discovered through the Senate estimates process that that will not actually see every student from years 9 to 12 having a computer, as was promised prior to the election. Rather, we now see a backflip on that position so that the Labor Party only say every student will have 'access' to a computer. So we see where there was one example given prior to the election—say anything, do anything to get elected—and now that they are in power the Labor government are walking away from that promise. They are walking away from school communities on the Gold Coast, walking away from students in years 9 to 12 and walking away from providing the kind of infrastructure support that school communities need and that school communities count on to ensure a first-class education for young students in the Gold Coast and more broadly across Australia.

The bittersweet element in all of this is that we may see a small trickle of money flow to some schools in my community. The Rudd Labor government has announced that there will be some 2,600 odd technical and vocational education blocks built within high schools. We are yet to see any detail in that respect. We are yet to see exactly how this money is going to be used. We are yet to see exactly how this money will make a difference to school communities and what kind of facilities and vocational education opportunities will be provided to young Gold Coast students. My concern is that, once we actually pierce through the spin of the Rudd Labor government, once we pierce through the puffery of the election campaign, we will see that, like the computers in schools promise, this simply will not stand up. And that is a great shame, because the people who are most adversely affected by this withdrawal of important community funding by the Rudd Labor government will be young Australians—young Australian students who rely on that kind of investment, young Australians students who have grown tired of the fact that state Labor governments have not carried their load when it comes to investing in state public schools. We have seen now over a number of years where state Labor governments have walked away from adequate funding, and that is why the Howard government instituted the $1.2 billion Investing in Our Schools Program. It is a shame that the Rudd Labor government will not continue the program. It is a shame this money will not be made available. But I promise to stand up for my local school communities. (Time expired)

Franklin Electorate: Bridgewater High School

Ms COLLINS (Franklin) (7.33 pm)—Tonight I raise an issue of great concern in my electorate. It affects hundreds of students, parents and community members. The Bridgewater High School, in the northern point of my electorate of Franklin, has been
responsible for teaching local children in grades 7 to 10 for almost three decades. It is an area where I spent the early years of my life. Around a year ago a much needed $1½ million refurbishment of the school was officially unveiled by the Tasmanian education minister, an upgrade welcomed by students, staff and the community alike. But tragedy struck in October 2007 when arsonists set fire to a rubbish bin in the school common room. The fire spread quickly, ultimately destroying up to three-quarters of the buildings with damage running into several million dollars. The remaining buildings were demolished and the school site is currently vacant, awaiting a decision on whether it will be rebuilt there.

Immediately after the fire, Tasmania Police offered a $2,000 reward for information. While this yielded some leads, it was not enough to help police find those responsible for the devastating blaze. In December last year, police increased that reward to $20,000 for information leading to an arrest. Sadly, the culprit or culprits remain at large.

This loss of the school has shattered the local community. The school was a valuable community asset in which a great deal of pride was invested. Its loss has had a heavy toll on the students, the staff, the parents and the wider community. The students, for the remainder of the 2007 school year, had to go to school at either the Geilston Bay High School, which is nearly 20 kilometres away, or Claremont College, which is nearly 10 kilometres away, and the grades were split at those two schools. While this does not sound like a vast distance, when you do not have access to transport or cannot afford the petrol, it means the world. That 10 or 20 kilometres can decide whether a child gets the education they deserve and need.

And this year, while the students await news on whether the school will be rebuilt, they have been moved into the local primary school. The primary school’s students have been temporarily co-located with another nearby primary school to accommodate these unusual circumstances. We have had the high school and two primary schools—a whole community—dislodged because of this fire. The primary school is still being renovated to help it meet the needs of the high school students. I have been informed that work is still progressing on the cooking facilities and science labs, with those areas due to be ready after Easter. I would like to put on record the work of all those involved in these interim arrangements. School principals Chris Gee, David Forshaw, Sue Richardson and Carolyn Brown have worked incredibly hard to manage this difficult transition.

The impact of this fire has been felt by many and at many levels within the community. Since the fire, there has been passionate debate about the future of schooling in Bridgewater and the surrounding region. The state government established a group, the Bridgewater and Southern Midlands Education Renewal Taskforce, to look at how the educational needs of not only Bridgewater but the broader region could be met. Some local residents are concerned the task force could recommend the creation of a school outside Bridgewater and outside the reach of the hundreds of students that rely on Bridgewater High for their education.

These people have had a taste of losing their local school, and they want it rebuilt on its original site. An initial petition was tabled in the Tasmanian parliament towards the end of last year, with 600 people urging the state government to rebuild Bridgewater High on its original site. Local residents have been working very hard and they have a lot of support. They have established the Keep Bridgewater High on its Original Site steering committee. Last week local residents Ronda Cockshutt, Linda McKenzie, Angela
Knight and Vicki Graham presented a far greater petition to the Tasmanian Minister for Education, David Bartlett, a petition with more than 3,500 signatures. That is from a community with 5,000 households. These signatures represent a large proportion of the community in the area.

The state minister, Mr Bartlett, welcomed the input from the local community and he said clearly that he would listen to the community of Bridgewater. I commend Minister Bartlett on his support for the community in what is clearly a difficult and emotional time. The education renewal taskforce will be meeting again tomorrow and is said to be nearing the end of its information-gathering phase. It will prepare a draft report, which is expected to be provided to the state minister by the end of this month. I understand recommendations will be publicly released, with a final recommendation presented to the minister before the end of next month. I do not believe that this community should be punished due to the actions of one or two individuals. I urge the Tasmanian state government to listen to the people of Bridgewater and retain the high school on its original site. Rebuild it back in the community where it has been for nearly 30 years.

Middle East

Ms LEY (Farrer) (7.38 pm)—Today the parliament passed a motion honouring Israel’s 60 years. My purpose tonight is not to diminish the achievements of the state of Israel but to note the interests and legitimate aspirations of the people of Palestine. Israel has many friends in this country and in this parliament; the Palestinians, by comparison, have few. Theirs is not a popular cause. But it is one I support, in part out of knowledge that the victors in World War II, including Australia, wrote a ‘homeland’ cheque to cover the sins of the holocaust and centuries of anti-Semitism in Europe, but it was the Palestinians who had to cash it.

Israel has much to celebrate after 60 years. It has built a modern, accomplished and intelligent society on the shores of the Mediterranean, one whose scientific and technological expertise offers a great deal to the world. It has a robust democracy, a free press, a secular state with freedom of faith and an unfettered opposition—regrettably rare in the Middle East. If there were peace between Israelis and Palestinians, one can only imagine the achievements of these two cultures today.

Israel’s 40-year occupation of the Palestinian territories, its continued expansion of settlements and its refusal to allow the return of expelled refugees have caused deep resentment in the Arab world. Palestinian corruption in government and failure to abandon violence against civilians as a political tool have meant that Israel does not feel secure behind secure borders. Sixty years have seen a great deal of bloodshed, Arab and Israeli and others, including 34 US soldiers killed by Israeli forces on the USS Liberty during the 1967 war. I do not find it helpful to engage in a forensic apportionment of blame—each side has legitimate grievances.

The current blockade of Gaza, confiscation of Palestinian land and the expansion of settlements must be mentioned in the context of today’s motion. Gaza is besieged, contained and on the brink of starvation. Rockets are fired into Israel every day and Israel has a right to self-defence. But the crushing economic embargo feeds fury and resentment both in Gaza and the West Bank. Two thousand six hundred and seventy-nine Palestinians have been killed by Israeli security forces in the Gaza Strip since September 2000. An Israeli human rights organisation reported that 1,259 of those were not partici-
partaking in hostilities when they were killed and 567 were minors.

On her most recent trip to the region Secretary of State Condoleezza Rice reminded Israel that it needs to be very cognisant of the effects of its operations on innocent people. International law only allows the seizure of occupied territory for military needs. According to a report in Israel’s newspaper Haaretz, more than one-third of West Bank settlements have been built on private Palestinian land.

We ought not to be naive or simplistic about the challenge faced by the Israelis in moving towards peace with a counterparty, in Hamas, that is funded and supported by a foreign power and which retains an explicit commitment to the use of terror as a political instrument. But may I remind the House of the example of the Northern Ireland peace process, which showed how a liberal democratic government entered into peace negotiations with a terrorist group. The Provisional IRA was neutralised after a more than 40-year struggle.

There are signs that the Israeli people are developing a renewed hunger for peace. A recent Tel Aviv University poll indicates 64 per cent of Israelis believe the government must hold direct talks with the Hamas government in Gaza, towards a ceasefire. Military occupation, blockades and hostility against civilians in the name of security will result in violence and breed terror. We must think about what we can do to improve the lives of ordinary Israelis and Palestinians to give them some faith in the peace process. This is seriously under threat—again—with further attacks by Palestinian rockets into Israel and with Israel’s recent announcement that it will expand more settlements, referred to by the Palestinian chief negotiator as ‘a stick in the wheels of peace’.

The ‘road map’ for peace established in 2003 by the Mideast quartet is still referred to, by both sides, as a blueprint for a two-state solution. The road map calls for Palestinians to denounce violence and dismantle militant groups and for Israel to halt settlement activity in the West Bank.

We are the leaders of our generation and we are accountable for results. If the principal protagonists, and the rest of the world community, hand Palestine on to the next generation as a twisted mess of grievance, hatred and retribution, then we have failed. The last two generations of leaders have failed to produce peace. Our job is to improve the opportunities and quality of life of those within our sphere of influence and control. That mission cannot be fulfilled without peace. Let us renew our efforts.

Cancer

Ms RISHWORTH (Kingston) (7.43 pm)—I rise today to speak about the vital work that cancer support groups and organisations carry out in our community for cancer sufferers and their families. I want to pay tribute particularly to a new network that has been formed in my electorate, the Fleurieu Cancer Network. This network brings together many social support groups within my electorate so that they can work together to inform and provide cancer sufferers and their families with the best possible support. I would like to congratulate the many volunteers within the Fleurieu Cancer Network who sacrificed their time to make sure that cancer support groups and services are available in Kingston.

Cancer is a word we all fear, but unfortunately it is a reality for so many. About one in three South Australians experience cancer during their lifetime. The impact of cancer extends well beyond the person directly affected by it. I am sure all members of the House have had their lives touched by can-
cer, whether suffered by a friend, a family member or indeed themselves. The various forms of cancer are the single leading cause of death in Australia. It is a disease that affects many, no matter what their age, in our society. The ABS calculates that years of potential life lost through deaths caused by cancer make up close to 30 per cent of years of potential life lost for men and almost 45 per cent for women. This is a higher percentage of years of potential life lost than that lost to heart disease, accidents or self-harm.

We all know of the advances that have been made in recent years in cancer treatment and indeed it is pleasing to see that deaths from cancer have plateaued in some areas. Despite the progress made in prevention and treatment over the recent decades, cancer continues to affect many thousands of Australians every year. The vital care provided by support networks is essential in assisting cancer sufferers and those who love and care for them the most.

As outlined in the Clinical Practice Guidelines for the Psychosocial Care of Adults with Cancer, there is significant benefit to be gained from support services for an individual, especially in the adjustment to the disease and treatment. Talking with other cancer sufferers who are in the same position as oneself—knowing that you are not alone—can have a powerful effect on one’s level of optimism and can improve one’s mental state. Sharing information with peers is also a key to ensuring that those with cancer feel empowered and have choices in how they might fight the disease. Support services and groups have a role in providing psycho-educational programs, helping to decrease anxiety and depression. Cancer support groups play an important role for families, enabling family members to meet others in similar situations. Often it is the family members who have to be strong for their loved ones and do not take care of their own stress. Support groups play a vital role in helping them to do this.

Cancer support groups do tremendous work in providing information, education, emotional support and physical assistance, and I cannot applaud their dedication and services enough. Supporting people through difficult times is what makes our communities. As the different support groups work together and coordinate their activities, they will be able to provide harmonious services to people around the country. Congratulations once again to the Fleurieu Cancer Network and to the local cancer support groups that make up the network. Ultimately, their help aids in easing the burden that falls to families and loved ones when cancer strikes. Interventions that provide support for partners of patients are effective in reducing distress in both patients and partners.

Parkes Electorate: Doctor Shortage

Mr COULTON (Parkes) (7.48 pm)—Tonight I wish to speak on an issue facing many towns in rural Australia—indeed, it is a particular issue in my electorate—and that is adequate access to doctors and medical professionals in rural towns. Tonight, I would particularly like to highlight the case of Baradine, a small community in the Parkes electorate that will be left without a doctor at the end of the month.

Baradine has gone through some tough times of late. The ongoing drought has affected the area greatly. In addition, the decision a few years ago by the New South Wales government to lock up 350,000 hectares in the Brigalow Belt South Bioregion saw the cessation of the town’s timber industry and left the town with a large unemployment problem. But Baradine has worked hard to fight back. The residents have a fierce belief in their own community and a desire to build a future for their town. Barad-
ine is a town that has done it tough but it is not a tough town.

However, Baradine is now facing a severe problem because on 28 March they will no longer have a doctor. I have had many residents from Baradine contact me about this. They are extremely concerned about what will happen when their local GP is unavailable for residents. The Baradine Medical Centre currently has 1,878 patients on their books and without a local doctor these people will be forced to travel tens of kilometres to the nearest town, Coonabarabran, to seek medical services. In an emergency, this will not be good enough.

There are many residents in Baradine who need to know they can access appropriate medical services quickly. I would particularly like to highlight the example of Elizabeth Varley. Elizabeth is a six-year-old girl who lives in Baradine. Elizabeth suffers from osteogenesis imperfecta, a condition which makes her bones fragile and easily susceptible to breakages. Elizabeth has undergone several months of intensive intravenous therapy to strengthen her bones, and she makes regular visits to the Children's Hospital at Westmead in Sydney for ongoing treatment. Her doctors in Sydney regularly consult with her doctor in Baradine to ensure that Elizabeth receives appropriate medical care. Her parents are very worried about what will happen when the current doctor leaves and Elizabeth can no longer receive the continuity of care she needs.

I have also had several letters from the local Aboriginal community which is a large proportion of the Baradine and Gwabegar communities. They also need access to medical services, particularly as Aboriginal people are more susceptible to illnesses such as diabetes, asthma and high blood pressure. I know of one family in Baradine that has 10 children and no car. It will be very difficult for them to access medical services in an emergency if the closest doctor is many kilometres away.

The local community built the doctor’s surgery and has recently purchased a residence to go with it. I have visited these facilities and they are of the highest standard. I am certain that any doctor who took up the position in Baradine would be very well looked after, and would enjoy being a part of such a small, close-knit community. They would be welcomed with open arms. The current situation in Baradine is mirrored in other towns right across my electorate and, indeed, right across rural Australia. I believe attracting medical professionals to rural areas should be a top priority. And I give my full support to the Baradine community as they endeavour to get a new doctor for their town.

Gambling

Mr CHAMPION (Wakefield) (7.52 pm)—Earlier today, in my maiden speech, I touched on the subject of electronic gaming machines and, in particular, drew conclusions regarding the design of these machines. I want the House to be aware of a new report commissioned by the Independent Gambling Authority of South Australia. This report, titled The relevance and role of gaming machine games and game features on the play of problem gamblers, is excellent. In particular, it has a great literature review. In many respects this report bells the cat on these machines. It identifies four machines that are disproportionately popular in the problem gambling segment: Indian Dreaming, Dolphin Treasure, Shogun 1 and Shogun 2. What these machines have in common is they all have a high net gaming revenue of around $200,000 per year. In particular, Shogun 2 has an average NGR of $263,501. Dolphin Treasure comes in a bit lower than that, at $198,243. This gives you an idea of how much money is flowing through these ma-
chines. Net gaming revenue is defined in the report from the player’s perspective as the amount of money lost, and these are extraordinary sums.

In Adelaide’s Sunday Mail, a Shogun 2 machine in a northern suburbs hotel had generated a net gaming revenue for 2005-06 of $478, 913, which is a staggering amount. It is worth much, much more than my house, which is also in the northern suburbs. It is a figure that is all the more concerning when one compares it to the figures provided to me by the Statewide Gambling Therapy Service, which has a northern office in Salisbury. It is a treatment provider which basically treats gambling addictions as if they are anxiety disorders and teaches the addicts of machines to ignore the stimulus to gamble. Of a sample of its clients from 19 October 2007 to 31 January 2008, 87 per cent were found to have problems with gaming machines. The average, or mean, total reported loss per client was $83,000; the median was $30,000. These figures break down as follows: four per cent of people lost less than $10,000; 34 per cent lost between $10,000 and $20,000; 19 per cent had losses of $30,000; 14 per cent lost between $40,000 and $100,000; and 29 per cent had losses of $100,000 or more. You have on one hand the staggering net gaming revenue of these machines and on the other the staggering losses of those addicted to them.

I think that this is something that the House should be concerned about. This is not an issue that just affects South Australia; it affects many states. Western Australia stands alone as a bit of a beacon that has resisted the spread of these machines to the suburbs. Australia is unique in having these machines in the suburbs. The one flaw of this report by the Independent Gambling Authority is that the core technology—that is, the information on rate at which you win—was not held by the regulator. It seems incredible to me that the state regulator did not have this information, but nevertheless the report is compelling reading and I would commend it to members of the House.

Question agreed to.

House adjourned at 7.56 pm

NOTICES

The following notices were given:

Mr Griffin to present a Bill for an Act to amend the law relating to veterans’ entitlements, and for related purposes. (Veterans’ Entitlements Legislation Amendment (2007 Election Commitments) Bill 2008)

Dr Kelly to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Refurbishment of Staff Apartments—Australian Embassy Complex, Tokyo, Japan.

Dr Kelly to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: HMAS Creswell Redevelopment, Jervis Bay Territory.

Dr Kelly to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Airborne Early Warning and Control Aircraft Facilities, RAAF Base Tindal, Northern Territory.

Dr Kelly to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Airborne Early Warning and Control Aircraft Facilities, RAAF Base Tindal, Northern Territory.
proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Robertson Barracks Redevelopment, Darwin, Northern Territory.

**Dr Kelly** to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Hardened and Networked Army (HNA) Facilities at Edinburgh Defence Precinct, South Australia.

**Dr Kelly** to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Land Engineering Agency Test Services Relocation, Monegeetta, Victoria.

**Ms Rishworth** to move:

That the House

(1) notes with concern, the previous Government’s termination of Australia’s Social Security Agreement with the United Kingdom in March 2001;

(2) notes:

(a) that the termination of this agreement led to a lost opportunity for the previous Australian Government to negotiate indexation of the British pension for those British migrants living in Australia;

(b) that many British pensioners made substantial contributions to the United Kingdom’s National Insurance system but many have not received an increase in their British pension for a decade, and as a result their payment has not kept up with the cost of living; and

(3) calls on the Commonwealth Government to commence negotiations for a new social security agreement with the United Kingdom that includes provisions for the indexation of British pensions.

**Mr Gibbons** to move:

That the House:

(1) notes the need for Australian businesses to be globally competitive in order to sustain economic prosperity after the current resources boom;

(2) notes the alarming decline in Australia’s productivity and export performance over the last five years;

(3) notes research findings that less than one in five Australian businesses is currently “world class”;

(4) notes the Government’s election commitments and subsequent policy announcements about measures to improve national productivity including public investment in education, skills training and national infrastructure;

(5) notes research findings that people management practices are the predominant factor affecting company productivity and performance;

(6) notes research findings that indicate Australian managers are paying insufficient attention to workplace practices and employee satisfaction; and

(7) supports the establishment of a National Commission for Workplace Innovation and Excellence that will, in conjunction with the business community, trade union movement, professional associations and education providers:

(a) identify workplace factors that positively impact on workplace innovation, excellence and productivity including human resource management practices and organisational culture;
(b) develop policies that promote workplace innovation, excellence and productivity including best practice models, codes of practice, awareness programs, business exchanges and awards; and

(c) support research, management education and training in conjunction with higher education providers and professional associations.
The DEPUTY SPEAKER (Ms AE Burke) took the chair at 9.42 am.

STATEMENTS BY MEMBERS

Mr Trevor Drayton

Mr BALDWIN (Paterson) (9.43 am)—I rise today to record the sad passing of renowned Hunter winemaker Trevor Drayton. He was killed in tragic circumstances at the Drayton winery in Pokolbin on 17 January 2008. Eddie Orgo was also killed and William Rikard-Bell was left with burns to 80 per cent of his body. Trevor was not only an industry leader, renowned the country over, but also a personal friend. Trevor will be sadly missed, not only by me but by his many friends and of course his close-knit family. Trevor was the beloved son of Max and Caroline Drayton and the cherished partner of Abesi Mwenda. Trevor was a much loved brother, brother-in-law and uncle to John and Jan, Greg and Chris, Peter and Leesa, and their families. Trevor’s work in the community was outstanding and he leaves the legacy of a man who made a difference well beyond his incredible contribution to the wine industry.

Trevor was regarded not only as an iconic winemaker but also as a man who gave much to his community. Trevor was once transferred by the Westpac rescue helicopter and, until his death, he worked tirelessly to repay that debt. Since then the Drayton family has become a major sponsor of the helicopter service, providing wines for special occasions to help boost the finances for the organisation.

Trevor never had any doubt he would carry on the family tradition of winemaking. He always wanted to be a winemaker and all his energies were aimed in that direction. In 1973 Trevor left home to attend Roseworthy Agricultural College in South Australia to start a five-year course in oenology. In his time at Roseworthy, Trevor topped his second year and won a silver medal, topped his third year and won a gold medal, and topped his final year and was awarded dux of the course.

Upon his return, he took up the position of winemaker for the family business. He produced many classic wines, including ‘William’ Shiraz, ‘Caroline’ Sparkling Burgundy, ‘Maxwell’ Shiraz and ‘Suzanne’ Semillon, but the most notable was the 1985 ‘Joseph’ Shiraz, which was awarded the Douglas Seabrook Memorial Trophy for best red wine in show at the 1995 Royal Melbourne Wine Show.

Trevor was past president of the Hunter Valley Vineyard Association and was instrumental in the push for federal government funding, through Tourism Australia, after the devastating floods in June last year. The Drayton family are one of the Hunter Valley’s pioneering wine-making families, and Drayton is one of the few companies that are still family owned and operated.

Trevor had a dream: to build a Hunter wine museum that would show the proud heritage of wine in the region and to display the equipment that pioneered the industry as we know it today. I will be speaking to other members from the Hunter region to help bring Trevor’s dream to reality. This would be a tribute not only to Trevor but to all who came before him and all who will come after him. May his soul rest in peace.

MAIN COMMITTEE
Moreton Electorate: Roads

Mr PERRETT (Moreton) (9.45 am)—I am pleased to inform members about how the Rudd Labor government are driving real transport solutions in the Moreton electorate. Within our first 100 days of government, we announced the preferred option for the Kessels Road and Mains Road intersection upgrade to deal with a major traffic headache on Brisbane’s southside. The upgrade will involve the construction of an underpass to take Kessels Road traffic under Mains Road. Kessels Road traffic will travel along a more free-flowing road, which will vastly reduce air and noise pollution for local residents as this road carries the greater number of heavy commercial vehicles. This should result in a decrease in diesel particulate matter especially. An average of 70,000 vehicles are already using the intersection each day, including more than 5,000 trucks and buses doing local business.

I am pleased that cabinet has approved $300 million towards construction of the project, but I also recognise that, unfortunately, there will be some impact on local residents and businesses. Nevertheless, from day one the local community has been fully involved in this Rudd government project, and the federal and Queensland governments will continue to engage with the community through a detailed consultation process. The feedback will help shape a business case for the project. Separating the two roads with an underpass will ease access into suburbs straightaway and will cater for the expected growth on Brisbane’s great southside for at least the next 20 years.

I am also pleased to inform the House that construction is progressing well on the $113 million Acacia Ridge rail overpass on Beaudesert Road. The 18-month project will see a 1.4-kilometre section of the interstate standard-gauge freight rail corridor lowered about 10 metres and two three-lane road vehicle bridges constructed. For years, southside residents have had to put up with long traffic delays at this rail crossing. Thankfully, when the overpass is completed, motorists will no longer face delays of up to 15 minutes—me included—while kilometre-long interstate freight trains grind slowly through the crossing at sloth-like speeds. It will also boost safety for motorists, cyclists and pedestrians to get around the Acacia Ridge area.

Work is also underway to construct sound barriers on Riawena Road—an important link in the Brisbane urban corridor. The need for noise barriers on Riawena Road was first identified in the Brisbane Urban Corridor Planning Study, which was undertaken way back in 2002. Since my election in November, I have been working hard with the state member for Yeerongpilly Simon Finn to ensure this important work is completed as soon as possible.

While I am pleased to see progress on these fronts, I am conscious that this speech should have been made 10, 11 or 12 years ago. Instead, the people of Moreton have waited and waited and waited. They grew tired of the ‘all talk and no action’ agenda of the previous government. There is still much to be done and that is why we, together with all levels of government, are getting on with the job of improving transport infrastructure in Moreton.

Herbert Electorate: Australian Defence Force

Mr LINDSAY (Herbert) (9.48 am)—I once lived in Brisbane but in 1968—before the member for Moreton was born—I went to paradise, and now I represent Townsville in the Australian parliament. I do not know how you can live in that city with all the traffic that is
there at the moment. It took me half an hour recently to go from the Storey Bridge down Ann Street. It is just hopeless.

In my electorate of Herbert in Townsville, I have Australia’s largest Army base, by far. There are several battalions but we also have a very significant RAAF component. We have moved all of Australia’s Caribou aircraft—which service the Army—up to Townsville, and that has created two issues. First of all, we do need more hardstand. I ask the Defence infrastructure group to have a look at that issue urgently, because when we have major operations there is not enough area to park aircraft. We really do need to solve that problem, hand-in-hand with the commercial operators of the Townsville Airport, so that we have the facilities necessary to park aircraft in times of major operations.

The second issue is that the Caribous are pretty old now. I have heard rumours within my RAAF community that the Caribous will cease flying in about two years and there is nothing to replace them. I would like to put those rumours to bed. I would like my people in RAAF Townsville to know and understand that the Caribous are going to continue flying. They have a very solid airframe which could go on for decades yet. Yes, there are some minor issues with the engines, but those aircraft are going to keep flying and they are going to continue to run out of RAAF Townsville. All of the staff at that particular wing can be assured that their jobs are protected.

I would also like to indicate to the parliament that on Sunday I was at Holsworthy Army base visiting the Chief of Army Cadet Team Challenge. A mighty fine group of young men and women from all around Australia were there competing in a whole range of tasks and demonstrating their professionalism in what they do. We are very lucky to have the cadets in our system. They provide leadership skills and training skills and, of course, they also provide a source of new recruits for the Australian Defence Force. I thank all the cadet leaders around Australia for their voluntary work, because they really contribute to the future leaders of our country and to our Australian Defence Force.

Edithvale-Seaford Wetlands

Mr DREYFUS (Isaacs) (9.51 am)—I would like to speak today about the Edithvale-Seaford wetlands, a large part of which are in my electorate of Isaacs, as well as the work of the Friends of Edithvale-Seaford Wetlands, a dedicated community group. The wetlands are listed under the Ramsar convention as being of international significance.

The two sites which make up the wetlands are the last remnants of a formerly extensive wetland, the Carrum Carrum swamp. During the 19th century, this swamp was largely drained for agricultural activities. Over the last 30 years, there has been extensive rehabilitation and active management by Melbourne Water. There have been massive changes to the local landscape since European settlement so that the wetlands are now surrounded by suburban development, which makes the preservation of these wetlands particularly important.

The Edithvale-Seaford wetlands support a very rich biodiversity. Of particular note is the importance of the area as a site for migratory birds, including some 25 species listed on the Japan-Australia and China-Australia migratory bird agreements. In particular, it supports more than one per cent of the flyway population of the sharp-tailed sandpiper. The area also supports significant populations of the Australasian bittern, a species listed as endangered by
the Victorian government. It is also an area of noteworthy flora, with 41 plant taxa of regional significance having been recorded in these wetlands.

Finally, the wetlands are of social and cultural significance, especially as an example of the benefits of active management to the preservation of the wetlands. The wetlands are important as a centre for nature based recreation within the local community and the region as a whole. On any weekend, one can see many local residents enjoying these wetland environments.

I want to take this opportunity to thank the Friends of Edithvale-Seaford Wetlands for their work in protecting the environment of this area. Their endeavours are of great importance to the local environment and to the local community generally. This group has worked for the last 30 years to protect the wetlands and, as Jenny Lindell, the member for Carrum in the state parliament put it recently, to maintain a ‘vigilant watch’ over this area.

Recently, the group has had difficulties in recruiting members to serve on the executive committee to help run the organisation. I know that many community organisations face the problem not so much of getting volunteers but of getting an executive committee to do the management. The friends put out a call to the community and I am told that they received a good response. I hope, as do many members of our community, that they will continue their important work in the years ahead.

Debate interrupted.

DistingUished VISITORS

The DEPUTY SPEAKER (Ms AE Burke) (9.54 am)—We have with us this morning participants in the Interparliamentary Study Program for 2008. On behalf of the Main Committee, I welcome our guests and I wish them every success for their time in Australia.

Honourable members—Hear, hear!

STATEMENTS BY MEMBERS

Consideration resumed.

Grey Electorate: Tunarama Festival

Mr RAMSEY (Grey) (9.55 am)—I also welcome the delegation. Enjoy our country. This morning I would like to bring to this House’s attention a beautiful city in my electorate and a fantastic event. The city is Port Lincoln on the Lower Eyre Peninsula. Port Lincoln is the home of the biggest fishing fleet in the Southern Hemisphere. It is a beautiful, stunning place to visit. To visit Port Lincoln is to love Port Lincoln; it is a fantastic place. It is a growth centre for aquaculture in our nation. It is also the home of the southern bluefin tuna industry and the home of the Tunarama Festival, which has been running for 47 years. This last year it attracted 28,000 people. Port Lincoln is a city of less than 10,000 people, so it is a significant influx.

The festival highlights the region’s seafood, art, wine, music and people and the fantastic landscapes around Port Lincoln. For three fantastic days the four local wineries and seafood producers occupy the yacht club and produce a good amount of cheer. It is a good showcase for our wares. The festival is centred on the foreshore, which is the home of the now-famous Makybe Diva statue—a statue of the only horse to win the Melbourne Cup three times. There are stalls, music and food stores. One of the highlights is the tuna tossing competition, where people throw an eight-kilogram tuna as far as they can. The record is held by a former Olym-
pian, Sean Carlin, with a 37-metre throw, but I might point out that my neighbour, Steven Hitch, from Buckleboo—I live 200 kilometres north of that—has won the competition for three out the last four years. Hitchy, a character at the best of times, says that he is the greatest tosser in the world.

The Tunarama Quest also raises a great deal of money for charity. This is a fantastic quest that has been going on for the length of the festival, and I might point out that this year’s winner in the quest, Alicia Schillabeer, after being told she had won the quest, was overcome with emotion on the stage. Her boyfriend came through the crowd, came up on the stage, popped down on one knee and asked her to marry him—which left not a dry eye in the house, I can tell you.

Suffice it to say that this fantastic festival is organised by about 40 volunteers, who volunteer 3,000 hours a year, and it is supported by 130 local businesses. They received only a $5,000 grant from the South Australian Tourism Commission and $30,000 from the local council, but it is a great celebration of the local community doing what it can to help itself and promoting itself. I congratulate them.

Corio Electorate

Mr MARLES (Corio) (9.58 am)—To the south of Corio Bay and to the east of the City of Geelong lies the Geelong Botanic Gardens. Dating from 1851, these are the fourth oldest gardens in Australia. Over the years they have had many redevelopments, the last being in 2002, which resulted in a new arid plant display, at the centre of which is the dragon tree. The Geelong Botanic Gardens are served well by the Friends of the Geelong Botanic Gardens, and their president, Jane Salmon.

To the north of Corio Bay, and to the east of Geelong Grammar School, are Limeburners Bay and Hovells Creek. It was here on 16 December in 1824 that the Hume and Hovell expedition south of Sydney reached its southernmost point. Along the edges of Limeburners Bay is a group of white mangroves—one of the southernmost mangrove swamps in the world—and this is an important habitat for the endangered orange-bellied parrot.

Between these two points lies almost the entirety of Geelong’s bay frontage, around Corio Bay. Along this frontage there are dozens of points of interest and beautiful and historic places which speak of the rich history of Geelong. But there is no continuous walking or biking path which connects these two places—the Geelong Botanic Gardens and Limeburners Bay. To be sure, there are paths along much of the route and there is a bike route which will take you from the botanic gardens to Limeburners Bay, but only after diverting you through much of Geelong’s industrial heart. Indeed, it is the north of Geelong, in the suburbs which are often forgotten, where the bay frontage is least accessible and where the suburbs are most disconnected from the bay.

I think that there should be a continuous path—a bike and walking path—which connects the Geelong Botanical Gardens with Limeburners Bay. It is not immediately obvious how one would do this. There would need to be a significant amount of cooperation between the council, the City of Greater Geelong, the port of Geelong and a number of landowners. But if it were able to be done, it would be a wonderful asset for the City of Greater Geelong and it would be a wonderful act of cooperation between all those parties.
This is a small project which highlights how important Corio Bay is to Geelong. It also highlights how much of Geelong remains disconnected from Corio Bay, particularly out in the northern suburbs, and how important the development of the shore frontage of Corio Bay is to the future of Geelong. There has been some media comment in the last few days about that. I support a greater degree of planning cooperation between the Victorian government and the City of Greater Geelong about planning—and, indeed, a long-term plan—on how we might get development along the front of Corio Bay done properly.

For decades Geelong has turned its back on Corio Bay. The city waterfront has been the first occasion where we have seen a reawakening of the bay, and I think that a continuous walking and bike path might just be the trailblazer for Geelong to reconnect to the entirety of Corio Bay.

Pension Bonus Scheme

Mr RANDALL (Canning) (10.01 am)—I wish to refer to the Pension Bonus Scheme, which was introduced by the former coalition government in 1998. The Pension Bonus Scheme pays a tax-free lump sum to people who defer claiming their age pension and continue to work. It is a voluntary scheme and, to be eligible, people must register with Centrelink within 13 weeks of reaching the eligible pension age of 63 for women and 65 for men. It gives people who are nearing retirement, and who will be eligible to receive an age pension in the future, a viable option of continuing to work and increase their retirement nest egg. It offers people choice and opportunity. There are almost 13,000 people receiving the age pension in Canning. However, I have had some constituents who have approached me with a couple of glitches in the scheme that preclude them from receiving this bonus. Under the Social Security Act 1991, if a person receives the age pension at any time prior to registering for the scheme, or after they have registered, they are then not eligible for the payment. This is a steadfast rule which, on the face of it, seems to be fair enough because of the blanket rule. But, because of this blanket rule, there is no discretion to be exercised in extenuating cases.

Mrs Lonergan of Halls Head claimed the age pension in 1995 for two months. The scheme was not introduced until 1998. She applied and registered and was advised that, if she continued to remain in full-time employment for five continuous years, she would requalify for the bonus. She remained in full-time employment for 12 years and was then informed that she was not entitled. She was penalised, despite the fact that the scheme was not even introduced when she briefly received the pension. Mr and Mrs Brereton of Armadale registered for the scheme in 2003. However, in February 2003, Mr Brereton became redundant and had to apply for income support payments. Mr and Mrs Brereton initially applied for unemployment benefits but, due to their combined earnings for the year to that date, they were advised that they would not qualify for any unemployment benefit; however, they were told that they could receive income support payments by way of the age pension. The first payment of the age pension was payable to them on 1 April 2003 and, by 24 April 2003, Mr Brereton contacted Centrelink to advise that he had successfully gained employment, commencing on 28 April 2003. Centrelink cancelled their income support payments, as their combined incomes had placed them over the threshold. In other words, the 27 days that he received the pension had made him ineligible.

I ask that the government look at some ministerial discretion in these matters where people want to stay in the workforce—and, with our current unemployment levels, we do need older,
experienced people in the workforce. It is a good scheme and I ask the minister to support these arrangements. *(Time expired)*

**Melbourne Grand Prix**

**Mr DANBY** (Melbourne Ports) *(10.04 am)*—For more than a decade, my constituents, particularly those in Albert Park and West St Kilda, and commuters in surrounding suburbs, have, first of all, been restricted from and then denied access to the very extensive recreational facilities in the middle of my electorate—the Albert Park Reserve—by the Australian Grand Prix. The Grand Prix takes place this forthcoming weekend. The Melbourne Grand Prix is the first in the international grand prix season.

Recently the head of Formula 1, Mr Ecclestone, claimed that he had spoken to the Australian Prime Minister. Unfortunately, he had done no such thing. The local head of the grand prix, Mr Walker, explained that Mr Ecclestone gets his international leaders mixed up and apparently had spoken to the Premier of Victoria. This is an amusing and somewhat indicative example of the international grand prix understanding of local attitudes and personalities in our state and in Melbourne.

I think the Victorian government is coming towards a more objective evaluation of the Melbourne Grand Prix. At the moment the Victorian government estimates that the race is involved in a $30 million net loss to the state in terms of the set-up costs—versus the benefits to the people of Victoria. The Australian Grand Prix Corporation of course argues that the promotion of our great city internationally has an unseen value to Melbourne. This reminds me a bit of the argument that the local council put out for the great St Kilda Festival, where they spend millions to promote St Kilda, yet most people already know St Kilda and go there for its great entertainment value anyway. I think a lot of local people resent all of the drunken yobs—we had the term ‘tosser’ used earlier; I think that is appropriate—who tend to disturb many local residents during the St Kilda Festival.

The prospect of the Grand Prix being moved to 3.30 in the afternoon for the first time has been raised by the corporation. I notice Mr Walker, the Australian chairman, has proposed moving it to 5.30 pm, which would mean that it would finish around 8.30 pm or 9 pm. And Mr Ecclestone has demanded that the race be run at night. How a race of that nature could be run, even under very powerful lighting, on an inner-city track like that without dangerous consequences escapes me. I am absolutely opposed, as are local residents, to the already great disturbances that are felt being exacerbated by having this race time moved later and later. I hope the Victorian government has a strictly practical attitude towards the evaluation of the benefit of this race to Melburnians. *(Time expired)*

**Carer Payments**

**Mrs MARKUS** (Greenway) *(10.07 am)*—I wish to call on the Australian government to commit to continuing the carer bonus, an initiative created by the Howard government. The bonus to carers is an annual one-off payment made since 2004 and is an essential contribution to the budget of families and carers. This decision to not continue it will impact the most vulnerable in our community. The Labor government are talking about the budget causing pain, but this poorly thought out decision will impact carers and those they care for.

I wish to speak about Linda and Kevin and their daughter, Georgia. Their story appears on the FaHCSIA website in the *Carers Storybook*.
Ten-year-old Georgia was born with an undiagnosed genetic condition which has left her with the intellectual and developmental age of an 18-month-old.

‘I’m still feeding her, changing her nappies, giving her a bath, brushing her teeth… all things I should have stopped doing eight years ago,’ her mother Linda says.

Again, in Linda’s words:

‘As parents we can never relax. We’re always on edge and trying to anticipate the next step.’

The daily regime begins early with a nappy change. ‘Even to get nappies for a 10-year-old isn’t easy. You can’t just pop down to the supermarket and pick them up if you run out. You have to plan ahead and order them as it takes a week for them to arrive.’

Once she has dressed Georgia, Linda sits her in a modified high chair and feeds her finely mashed food. ‘Then I do all personal care such as teeth and hair and get Georgia ready for the school bus.’

After school Georgia likes to spend time in her treasured swing in the backyard. ‘Georgia could spend all day in that swing and would let us push her for hours on end. Luckily Kevin is a hands-on dad and is great with her when he comes home from work.’

When Georgia is at school Linda is able to work, managing the promotional products section of her parent’s business.

‘I am fortunate my parents were able to restructure their business to employ me. …’

Linda and Kevin work as a tag team. They are a great team. But without the carer bonus they will not be able to purchase essential items for their daughter, Georgia, such as shoes, which cost over $200—they are special shoes designed for her to keep her safe and to ensure that they stay on her feet. The carer bonus enables them to purchase large products. We heard in their story about the swing; the swing cost over $800. They could not just pop down to the shop and buy a Target or Woolworths swing for $150; they had to get a special one built for her, and this bonus enables them to do that. A payment that is spread throughout the year, whilst maybe beneficial, would not enable them to purchase the big things that they need. It is important to note here that, if Linda did not have the circumstances associated with Georgia, she would be able to earn a lot more and would be able to provide for her family in a greater way. (Time expired)

Ms Viola Hill

Mrs D’ATH (Petrie) (10.10 am)—I rise to acknowledge the passing of Viola Hill and give tribute to her contribution to the local community in northern Brisbane. Viola Hill passed away on 18 February 2008. She was a well-respected Aboriginal elder for her time and work within the wider Brisbane community. Viola was born in Cherbourg Aboriginal Mission. Although I do not have time to talk about Viola’s time in Cherbourg, I can say that, as a devoted Christian woman of the AIM Church, Viola eventually became a Sunday school teacher and leader. This led to her missionary work for the church.

With her missionary work, Viola relocated to Rode Road, Chermside in the early 1980s with her son, Phillip. Living at Chermside, Viola provided care and accommodation for people who came to the city for medical treatment. During this time Viola had also become affectionately known as Auntie Vi. Living in Chermside she had worked with Auntie Evie Walker, Auntie Nellie O’Chin and Pastor Malcolm and Ada Munro. Together, they visited many Indigenous communities in Queensland and Australia with their missionary work.
Auntie Vi moved from Rode Road to Deagon where she lived for the past 28 years and continued with her missionary work with Auntie Nellie. Auntie Vi and Auntie Nellie used their own money to regularly visit the prisons, hospitals and schools. Auntie Vi was a surrogate mother to many kids from different backgrounds, especially those she had met in prison. To her they were all equal. Her limited education and communication skills did not stop her hunger for better treatment and living conditions for her people. She lobbied many parliamentarians for years to have equal rights and basic needs implemented into mainstream Australia for Aboriginal and Torres Strait Islanders. Auntie Vi was a tireless community worker, initiating many community programs and employment opportunities for Indigenous people.

Another testament to Auntie Vi was that she helped to establish the Koobara Aboriginal cultural organisation at Zillmere, where she was honoured with life membership. Her other involvements were with the Nalingu Respite Centre and as an initial founding member of the Ti Tree Aboriginal and Torres Strait Islander housing program at Sandgate. Through her vision, energy and drive Auntie Vi achieved many goals in her life by negotiating with local councillors and state government departments to help improve services for her community, especially for the Indigenous people in the local community. In 2006, the completion of the Rainbow Street units in Sandgate, named in her honour Viola Hill Place, is a testimony to her outstanding work and service in the Sandgate area and beyond. Viola’s contribution and commitment have established networks of services and support for both Indigenous and non-Indigenous people.

I wish to pass on my condolences to Auntie Vi’s family and to all those people in communities, not just in Petrie and Lilley but all over Queensland, who are feeling the sadness of Auntie Vi’s passing. Her spirit will forever live on and so will her work.

The DEPUTY SPEAKER (Ms AE Burke)—Order! In accordance with standing order 193 the time for members’ statements has concluded.

TELECOMMUNICATIONS (INTERCEPTION AND ACCESS) AMENDMENT BILL 2008

Second Reading

Debate resumed from 20 February, on motion by Mr McClelland:

That this bill be now read a second time.

Mr HAYES (Werriwa) (10.14 am)—The purpose of the Telecommunications (Interception and Access) Amendment Bill 2008 is to extend by a further 18 months the operation of network protection provisions. This is due to a sunset provision that will come to an end on 13 June 2008. The bill also implements a number of minor yet quite important technical amendments, which I will refer to briefly a little later.

A division having been called in the House of Representatives—

Sitting suspended from 10.14 am to 10.32 am

Mr HAYES—As I indicated, this bill is to provide an extension of the sunset provisions of the Telecommunications (Interception and Access) Act 1979, which are due to end on 13 June 2008. There are no new powers in this bill for security or law enforcement agencies in relation to either telecommunications intercepts, the storage of communications or the access of data.
What the bill does is to ensure that these agencies have a continuation of the tools that they find so necessary to combat the rapid growth in sophisticated crime networks around the country.

Madam Deputy Speaker, as you would no doubt appreciate, during my time with the Police Federation of Australia I had significant involvement with early negotiations for telephone and telecommunications intercepts. I know from my colleagues right across the nation that the highly evasive communications networks that have emerged are always difficult to detect and infiltrate and they require not only the development of equally sophisticated methods of maintaining access to telephone intercepts, upon receiving warrants, but also maintenance of the integrity of those networks.

The need for effective protection of corporate networks was also recognised in the Review of the Regulation of Access to Communications, conducted by Mr Anthony Blunn, who was a former secretary of the A-G’s department. That report was tabled in parliament back in September 2005. The Blunn report, as it has effectively become known, recommended that access be allowed to the content of communications outside of the warrant regime for the protection of corporate communications systems.

It proposed an 18-month extension to the existing network protection provisions that will ensure that law enforcement and security agencies can continue to protect their networks while comprehensive long-term solutions are developed. These comprehensive solutions are also subject to a rather comprehensive and very structured integrity regime with regard to how they are deployed.

When the initial legislation was introduced in this House in the form of the Telecommunications (Interception) Amendment Bill 2006, it initially only applied to the Australian Federal Police. These provisions are subject to a two-year sunset clause which will expire on 13 June. However, subsequently, access was granted to additional law enforcement agencies and other police services through the Telecommunications (Interception and Access) Amendment Act 2007, but the original sunset clause was retained. Therefore, the sunset clause will expire on 13 June this year.

These amendments, by and large, provide some additional time to work on the recommendations contained in the Blunn report—many of which I have to say are very much supported. The legislation takes a contemporary view of the protection of a communications network and also looks positively at ensuring that the law enforcement agencies have the degree of access as required by the act on warrant. It also specifies the process and integrity regimes that need to be followed. These are matters that require additional work. This bill before us effectively grants additional time beyond the original scheme of the act, which was a sunset clause due to expire on 13 June.

In conclusion, this bill is an important element in ensuring that the legislative framework for access to telecommunications information for law enforcement and national security agencies remains clear and effective. It contains no new powers for security or law enforcement agencies and it strengthens the reporting and accountability framework. I commend the bill to the House.

Mr McCLELLAND (Barton—Attorney-General) (10.37 am)—in reply—I would like to thank the member for Werriwa for his contribution to the debate. He has taken a consistent
interest in law enforcement and security matters generally and brings to the federal parliament considerable expertise in this area. The Telecommunications (Interception and Access) Amendment Bill 2008 is important in maintaining the capacity for stipulated agencies to protect their networks for an additional 18 months. This will provide the necessary time for the government to consult widely on a more permanent legislative solution. This solution needs to be focused on current network technologies and ensure that network operators have the legal capacity to protect their networks and provide a proper degree of privacy protection for users of that network. In many ways, the exercise that is being held this week, Cyber Storm 2, which was kicked off yesterday, I think, underlines the need for an overhaul of systems generally, both public and private.

The technical amendments to the interception regime will improve, clarify and simplify the operation of the T(I)A Act. These include removing several provisions that became redundant when certain functions were transferred from the Australian Federal Police to the Attorney-General’s Department, following the passage of the Telecommunications (Interception) Amendment Act 2006. As such, this bill is a further step in the ongoing modernisation of Australia’s laws for accessing telecommunications information for law enforcement or national security purposes. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

DEFENCE LEGISLATION AMENDMENT BILL 2008
Second Reading

Debate resumed from 20 February, on motion by Mr Snowdon:

That this bill be now read a second time.

Mr BALDWIN (Paterson) (10.40 am)—From the outset, let me say that the opposition supports the Defence Legislation Amendment Bill 2008. The bill introduces far-reaching reforms to the ADF summary discipline system, stemming from the former coalition government’s response to the 2005 report of the Senate Foreign Affairs, Defence and Trade References Committee entitled The effectiveness of Australia’s military justice system. This bill amends the Defence Act 1903, the Defence Force Discipline Act 1982, or the DFDA, and the Defence Force Discipline Appeals Act 1955, or the DFDAA, to simplify and redesign summary discipline procedures and represents one of the widest ranging reforms to the Australian Defence Force summary discipline system since the introduction of the Defence Force Discipline Act.

The Howard government first introduced these amendments last year, but the 2007 amendment bill lapsed when parliament was prorogued. This bill includes measures included in the 2007 bill and also the amendment flagged by Bruce Billson MP in the second reading speech on the Howard government’s bill last year responding to the concerns of the Senate committee that examined the bill—chaired at the time by Liberal Senator for New South Wales Marise Payne—regarding the simplified rules of evidence at a summary trial. There is bipartisan support and cooperation on military justice reforms, and the coalition remain committed to ensuring these reforms are adopted and, more importantly, successful—consistent with our response in government to the recommendations of the Senate committee’s 2005
This bill, consistent with that proposed by the former government, aims at ensuring an appropriate balance between the maintenance of discipline and the protection of the rights of Australian Defence Force members.

The bill’s key amendments include enhancing the summary procedures by introducing a number of significant safeguards, such as an automatic right of appeal to the new Australian Military Court for summary trials, while still enabling commanders to maintain effective discipline and recognising the need for time lines and fairness to protect the rights of the individual. Currently, an ADF member has no mechanism to appeal to a court martial or a Defence Force magistrate with regard to a conviction or punishment imposed by a summary authority. This bill enacts one of the recommendations of the 2005 Senate report by introducing the right of appeal from a summary authority to a single military judge of the Australian Military Court. It was argued in the 2005 report that service personnel should have this right for charges that would potentially lead to a criminal record or affect them post military service.

Another key amendment is the right to elect trial by a military judge of the Australian Military Court for most disciplinary offences. This amendment again stems from the 2005 report and is similar to the Canadian armed forces summary disciplinary system.

Further, amendments relating to the simplified rules of evidence are significant. The evidence regime currently applicable to summary trials is overly complex and not easy to apply by persons without formal legal training. The bill will make it clear that a summary authority will not be subject to the same formal rules of evidence that apply to the Australian Military Court but must not depart from the fundamental principles underpinning the rules of evidence. The new evidentiary framework is based on the successful system which has been used for many years by the Canadian forces.

Further amendments include: a form of review for technical errors related to the awarding of punishments and orders; simplification of offences and punishments; and changed jurisdictions of superior summary authorities and discipline orders.

When the 2007 bill was examined by the Senate committee it was welcomed and endorsed by Army, Navy and RAAF as well as the then Acting Chief of the Defence Force. Given the defence forces expressed their belief that these amendments struck the right balance, we welcome its consideration. In offering our support the coalition call on the government to monitor and review the impact of these reforms to ensure that they are working as envisaged and have no unintended consequences on ADF personnel, particularly in relation to the rules of evidence.

In keeping with the previous examination of such issues the coalition believe that a review by the Senate Standing Committee on Foreign Affairs, Defence and Trade should be considered. Furthermore, last year the then shadow minister Alan Griffin expressed his view that Labor believed there were still a number of reforms to the military justice system they would pursue. The coalition calls on the Labor government to continue in the same manner as the coalition in government and ensure that any changes involve extensive consultation amongst stakeholders, particularly within the ADF, as well as to commit to extensive scrutiny in the parliament.
Given the bills introduce a number of significant enhancements to ensure the right balance is struck between maintaining effective discipline and protecting the rights of individuals, the coalition, as it did in government, commends this bill to the chamber.

Mr COMBET (Charlton—Parliamentary Secretary for Defence Procurement) (10.46 am)—I wish to speak in support of the Defence Legislation Amendment Bill 2008. The substance of the bill provides for further reforms to Australia’s military justice system. It may be recalled, as the previous member indicated, that the bill was introduced in parliament before the last election. The bill is substantially the same, except for a number of changes to the evidentiary framework that applies to summary proceedings, following recommendations from the Senate Standing Committee on Foreign Affairs, Defence and Trade report that originally proposed the bill.

Whilst in my role as Parliamentary Secretary for Defence Procurement I have no direct responsibility for the operation of the military justice system, I certainly have an interest in its effectiveness and note the importance of such a system for our Defence Force. I would like to begin by outlining the importance of a strong, fair and effective military justice system and also outlining some of the history to the reforms contained within the bill before I address its substantive provisions.

As Australians we expect our legal system to be strong but fair. One of the guiding principles within our democratic system is the tradition of the rule of law. While this concept has been the subject of abuse and misinterpretation, the rule of law basically refers to the principle that no one person is above the law. It is valuable to consider how this applies to the actions of government. Accepting that no one person or entity is above the law necessarily prescribes the action a government can take against an individual. The rule of law provides the principle that the power of a government and its authority can only legitimately be exercised within a framework of written and publicly disclosed laws which are adopted and enforced in accordance with established procedures—that is, they are enforceable by due process.

This principle places a necessary limitation on the arbitrary action a government can take against its citizens—it provides for an individual’s rights. This is a key defining principle of our legal system but one that we can often take for granted. However it is imperative that public officials and those who advocate on behalf of others keep in mind the importance of this principle in the conduct of their roles. I have learnt from my time in public service that Australians demand and expect an appreciation of the rule of law underpinned by a strong sense of giving people a fair go. They therefore expect to see their public institutions pay adherence to these principles in the conduct of their roles and responsibilities. This expectation of the Australian public extends of course to one of our most important institutions: namely, the Australian Defence Force.

The ADF is an institution that exercises governmental authority and power. The ADF and their leaders are very aware of the expectations upon them and they are acutely aware of the importance of the rule of law and due process. They have seen, in conflicts around the world, the problems that have arisen when such principles are not adhered to. They also take great pride in the principles and values of our democratic system of government—values, of course, that they are serving to protect.

In order for the public to continue to have high regard and faith in the ADF as an institution, the military justice system that governs it must be seen as principal. It is therefore vitally
important that our military justice system is seen to be adhering to these values and to be a strong, effective and fair system. The bill is part of a series of reforms to that system of military justice designed to help ensure the continuation of public faith in its exercise.

Whilst recognising the importance of the rights of an individual and the rule of law, it should also be acknowledged that the military justice system is required to operate in quite unique circumstances. Given the nature of ADF operations and the importance of a high level of discipline to the success of these operations, it should be recognised that at times a stricter form of punishment may be required for an offence which in the civilian world would not seem to warrant such a severe punishment. It is also an element of our justice system that is required to operate both within and outside of Australia in times of war and peace. None of this is to suggest that this is an excuse for an unfair justice system that does not accord an individual adequate rights—it certainly is not. Instead, though, we need to recognise that there are unique characteristics that are part of our military justice system which must be acknowledged and considered by the government in its formulation of reforms. I believe that the reforms contained within this bill and those that have preceded it help to strike the right balance in that regard.

Australia’s military justice system has two distinct but interrelated elements: the discipline system and the administration system. The discipline system provides for the investigation and prosecution of offences committed under the Defence Force Discipline Act. Offences dealt with under the discipline system can come under three categories. The first category covers offences peculiar to the defence forces, such as absence without leave, disobedience of a command and endangering morale. The second category under the discipline system covers offences similar or identical to civil offences but that relate to service personnel or equipment, such as assault of a superior or subordinate, destruction or damage of service property, or dealing in narcotic goods on a base. The third category covers offences imported from civilian criminal law, such as murder, manslaughter and theft of non-service property.

The first two categories that I have just outlined are offences that relate specifically to the military and the third category is an incorporation of civilian criminal offences into the military justice system. The need for this incorporation comes from a recognition that these offences may occur when an ADF member is deployed overseas, in which case there may be an inadequate criminal law framework or the application of that country’s law may be undesirable by our standards—an example is the application of the death penalty.

The second element of Australia’s military justice system is the administrative component. The administrative system deals with the decisions and processes associated with control and administration of the ADF. It is designed to encourage service personnel to maintain high standards of professional judgement, command and leadership. The administrative system broadly comprises an inquiry system, adverse administrative action in response to a member’s conduct, and internal and external review processes. The bill relates to the operation of elements of the discipline system that I have just outlined.

Over the past decade there have been a number of inquiries into the military justice system following some high-profile cases which demonstrated some deficiencies with the system. Each of these inquiries identified flaws in the system and its related processes. However, it was a Senate inquiry that really started the impetus to a strong reform program.
In October 2003, the Senate referred the issue of military justice to the Senate Foreign Affairs, Defence and Trade References Committee. The committee was instructed to inquire and report on the effectiveness of the military justice system in a number of areas. These included: determining whether the system provided impartial, rigorous and fair outcomes for ADF members; mechanisms to improve transparency and public accountability of military justice procedures; allegations of the mistreatment of ADF members and of drug abuse; and the handling of peacetime deaths in the ADF from any cause.

The findings of the committee were of great concern. The Senate committee, among other findings within the report, concluded the following: the ADF was manifestly incapable of adequately performing its investigatory function; boards of inquiry were lacking in transparency and independence; processes of investigation and trial were found to have placed great stress on individuals, leading to a loss of confidence, loss of employment, suicidal thoughts and attempted and actual suicides; and ADF members were reluctant to lodge complaints because they doubted the effectiveness and impartiality of the system. They were findings of obvious significance and concern from the Senate committee. Broadly, the committee reached a conclusion that major change was needed to ensure the independence and impartiality of the military justice system.

In 2005, the then government issued their response to the report, agreeing to 30 of the 40 recommendations that had been made. The recommendations that were not agreed to involved a greater civilianisation of the military justice system. Labor agreed to the government’s response at that time but noted that the agreed reforms must be effective or further action along the lines proposed by the committee would have to be considered. The Rudd government still maintains that view.

There were two areas of reform covered by the then government’s response to the recommendations of the committee. The first involved the replacement of the Defence Force Magistrate trials with a new Australian Military Court, the appointment of an independent director of military prosecutions and a Provost Marshal ADF. The first stage of these reforms was introduced by legislation in 2006. This included the establishment of an Australian Military Court which came into effect on 1 October 2007. It was a significant reform. The second involved a number of reforms associated with the administrative system itself. The majority of these reforms are now in place and their progress is being updated in regular six-monthly reports back to the Senate committee.

The bill deals with some of the final reforms that were intended following the committee’s reports. I would now like to summarise some of the major provisions of the bill. Firstly, the bill seeks to simplify and redesign the summary discipline proceedings. The summary discipline system is designed to deal with offences of a less serious nature quickly and efficiently. This helps commanders in the field maintain discipline and morale among their troops and it can be used on a daily basis to help ensure the welfare and safety of ADF members. The Rudd government is of the view that the summary discipline system, given its importance, must be efficient, simple and fair. Given that its operation is conducted by officers who have no formal legal training, it is important to make it as easy as it can be for it to be applied while still maintaining the rights of the individual.

This has been the basis for the government’s proposed reforms within this bill. The bill basically contains four major changes to this system. The first of these is the introduction of a
right in all cases to appeal a summary authority conviction, order or punishment to a military judge of the Australian Military Court. This meets one of the Senate committee’s important recommendations allowing for the introduction of a right to appeal summary decisions before an independent permanent military court. It is schedule 2 of the bill that will give effect to these reforms. In practice, it will allow for a statutorily independent military judge of the Australian Military Court to deal with an appeal on its merits by way of a fresh trial or a paper review of the evidence. If the appeal is upheld, the judge may substitute or quash the conviction; order a new trial; or confirm, quash or vary the punishment given.

The second change is to allow a right to elect trial by a military judge of the Australian Military Court for all but a limited numbers of offences. Again, this serves to address the concerns of the Senate committee. The provisions that give effect to this change are contained in schedule 1 of the bill. For all but the most minor offences, ADF personnel will now have this right. For those minor offences where no right to elect a trial is present, there will be a limitation on the forms of punishment that can be given. If a variance to these forms of punishment is considered, the right to elect a trial under the Australian Military Court must also be offered.

The third change involves the introduction of a revised evidence framework for the conduct of these proceedings. When this bill was introduced before the lapse of the last parliament these changes were not contained and were recommended by the Senate committee that reviewed the legislation. The Rudd government has made these changes in recognition of the need for rules of natural justice and the desire to apply fundamental evidentiary principles to these proceedings. These changes are outlined in schedule 3 of the bill.

The fourth area of changes covers a number of significant reforms to the review process for summary convictions, which are covered under schedule 4 of the bill. These include an obligation on reviewing authorities to recommend appeals to the Australian Military Court, where substantive errors are identified, and a new mechanism for correcting technical errors. These are considered and measured reforms that will have a great impact on the operation of the summary discipline system. They will help maintain the need for a simple and effective system while also providing for the strengthening of an individual’s rights.

The second key area of the bill follows from a review of the offences and punishments in the Defence Force Discipline Act. Schedule 5 of the bill outlines the changes to be made, which include: an expanded ability to deal with drug charges for offences committed both inside and outside of Australia by ADF and Defence civilians; making it clear that a failure to act can be as reprehensible as a wrongful commission of an act for some areas of modern military responsibilities; reinforcement of the need for a high standard of weapons safety; and an improvement in the accuracy and fairness of sentencing by allowing more flexibility in application of punishments in line with current civilian practice and ensuring that the status of a summary conviction is of relevance for service purposes only, so as to ensure that ADF personnel are not disadvantaged in their civilian lives. These reforms collectively are designed to introduce both a new thoroughness and fairness to the operation of the Defence Force Discipline Act.

Schedules 6, 7 and 8 of the bill cover a number of other smaller proposals designed to implement earlier recommendations of reviews that have not been acted upon, the clarification of the powers of the Director of Military Prosecution and a number of administrative reforms.
They were outlined by my colleague the Minister for Defence Science and Personnel during his second reading speech. He will also be outlining an amendment to the bill when he speaks in due course. All of these are designed to provide clarification, to improve and streamline the operation of our military justice system.

I would like to conclude today by expanding on my earlier arguments on why these reforms to our military justice system are so important. You will recall that I earlier referred to the relationship between the public’s requirement that our institutions of government act in accordance with the rule of law and accord to an individual adequate rights. This of course remains the core reason for these reforms but, apart from that, I believe there are also two compelling reasons that these changes are needed—one is strategic and the other moral.

The strategic reason relates to the challenge posed by the government’s need to increase levels of recruitment and retention in the ADF. This will obviously be influenced by the public perception of the military justice system and the sense of security an individual will receive by knowing that their rights are protected within the workplace. Without a strong and fair military justice system there would be no chance of the government meeting the challenges in recruitment and retention in the ADF that it now faces.

The moral reason is quite simple: it is the government which sends the young men and women of the ADF overseas, often into dangerous situations. If the government is prepared to do this, it must also be prepared to provide them with the rights and the system of justice they deserve. We have all seen the examples of things that go wrong and when the system is not working properly; therefore, I believe we have a strong moral obligation to extend all of our efforts to ensure that these incidents do not occur again and that there is a fair system of rights.

I commend the bill and believe that it, and the reforms that have preceded it, will help to make a real difference in our efforts to achieve a strong, fair and effective military justice system.

Mr ROBERT (Fadden) (11.04 am)—I rise to lend my support to the Defence Legislation Amendment Bill 2008. The purpose of the bill is to give effect to what was in the original Howard government bill, the Defence Legislation Amendment Bill 2007. The bill introduces wide-ranging reforms to the Australian Defence Force summary discipline system. The bill provides for a further set of changes which in part build on the changes in the Defence Legislation Amendment Act 2006. The changes are intended to provide for, and balance, the maintenance of effective discipline and the protection of those individuals who are subject to the military discipline system. It introduces another element of military justice, which reflects the fairness of civilian processes of justice but in a way that recognises the realities of applying military discipline fairly and efficiently not only in Australia but in the field of combat operations across the world.

The 2007 amendment bill was introduced by the Howard government in mid-August 2007 to give further effect to the Howard government’s response to the report by the Senate Foreign Affairs, Defence and Trade References Committee entitled The effectiveness of Australia’s military justice system by amending the Defence Act 1903, the Defence Force Discipline Act 1982 and the Defence Force Discipline Appeals Act 1955. There have been numerous inquiries over the past decade and a number of court challenges and publicly-aired complaints brought by former and serving personnel, their families and other community members sug-
gesting that the military justice system was flawed. Significant official inquiries included the 1997 study into the judicial system under the Defence Force Discipline Act, by Brigadier the Hon. Justice Abadee; the 1998 Commonwealth Ombudsman’s own motion investigation into how the ADF responds to allegations of serious incidents and offences; the inquiry into military justice procedures in the ADF by the Joint Standing Committee on Foreign Affairs, Defence and Trade in 1999; the same committee’s inquiry report, *Rough justice? An investigation into allegations of brutality in the Army’s Parachute Battalion*, a battalion in which I served as an officer in 1993; the 2001 Burchett QC *Report on the inquiry into military justice in the Australian Defence Force*; and the 2002-03 Western Australian Coroner’s investigation of fire onboard HMAS *Westralia*.

This bill, cognisant of the inquiries that have gone before it, relates to the less serious offences and aims to modernise and redesign the summary discipline system. These less serious offences include offences peculiar to the Defence Force, such as absence without leave, disobedience of a command and endangering morale, and offences which are similar or identical to civilian offences but which relate to service personnel or equipment, such as assault of a superior or subordinate, destruction or damage of service property, or dealing in narcotic goods on a base.

As I have already stated, there have been numerous inquiries into the administration of justice in the ADF. Many inquiries made suggestions for improvements to the military justice system; some suggestions were acted upon and some were not. By the time the 2003 committee published its report in June 2005, it acknowledged:

For ten years now, there have been increasing calls from servicemen and women and their families that all is not well in the military justice system.

The 2003 committee made 40 recommendations for change. Thirty of the 40 were accepted in whole or in part by both the previous government and the current government. This bill is a direct response to those recommendations. The 2003 committee stated in its report of 2005 that it ‘believes that the military justice system in its current form clearly needs a comprehensive, ground up reform’. The 2008 version of the bill—virtually a copy of the Howard government bill—delivers that ground up reform. It creates a new system with many built-in safeguards. There is a system of review and appeal which, on its face, should deliver outcomes that are fair, informal and timely. The ADF has asked for simpler rules of evidence. Although the formal rules of evidence will not have to be applied, the bill requires that summary authorities comply with the rules of natural justice and the basic principles of the rules of evidence relating to relevance, reliability, weight and probative value. The bill is very welcome.

I am one of only three former serving military officers in the House of Representatives. I have previously felt the weight of an unjust military justice system. In my time at the Royal Military College Duntroon I was—and I know that you will be shocked—charged for being absent without leave. I am appalled to say it. I missed a night-time lecture. The fact that I was at the college and was indeed not absent, and not absent without leave, was deemed irrelevant. The rules of evidence are somewhat loose when one is an officer cadet. As a military officer, I have defended and prosecuted numerous soldiers and fellow officers. If I can use a phrase, I have stood there while the chorus has rung out numerous times to ‘march the guilty bastard in’. And having previously been one of those ‘guilty bastards’ marched in, it is a little discon-
certing to hear that my fate had been decided by the company sergeant major outside the door before indeed I had ever faced the summary authority.

Currently—prior to this bill—there is no appeal from a summary authority, be it an officer commanding or indeed a commanding officer. There is no appeal for the poor ‘guilty bastard’ being marched in. There is no right to apply to a single judge of the Australian Military Court. This bill seeks to right that wrong. My fellow officers have gone through a number of court martials and inquiries, not least being the one into my former battalion, the 3rd Battalion, the Royal Australian Regiment, and the one into the Blackhawk disaster. They have come out confused, scarred, disappointed, feeling they have been failed and let down by a military that they had committed their life to. Many of these officers welcome the changes being brought in today.

Colleagues, the days of Napoleon and Wellington are over. The days of marching to war and on day one hanging one to make sure that the rest will follow are over. Combat effectiveness is predicated on faith that the man next to me will do his duty; that the man sharing the foxhole with me in the dark hours of the morning will stand to, man his weapon and do what is right. Injustice weakens faith. Injustice weakens combat effectiveness. It weakness unit cohesiveness. If soldiers and officers have no faith in their commanders—who by the Defence Force Discipline Act, sit as summary authorities, both at officer commanding and commanding officer levels—and lack faith in the justice dispensed by their senior officers, they will lack faith in their ability to lead in times of turmoil.

This bill ensures that the average digger, the hardworking NCO and the commissioned officer are fairly dealt with in a way that is cognisant of their rights. It gives the poor ‘guilty bastard’ outside the opportunity to be fairly heard and to take their right to go to a single judge of the Australian Military Court if needed. On behalf of the diggers, the hardworking NCOs and the commissioned officers out there, I commend the bill to the chamber.

Mr HAYES (Werriwa) (11.13 am)—To the member for Fadden, at this stage the jury is still out. We will pass judgment on him a little later on. I rise to support the Defence Legislation Amendment Bill 2008. As has been said, this legislation comes about because of the dissolution of the House in 2007. The amendment represents what is considered to be a key and necessary stage in the reform of matters to do with the military justice system within our Australian Defence Force. The bill provides for the implementation of a new system by which grievances of a military nature can be heard within the military justice system and where military and other related breaches can be properly aired and swiftly dealt with.

Under the previous government there were no fewer than six separate reviews of matters relating to the broad theme of military justice. These reviews included two inquiries by the Joint Standing Committee on Foreign Affairs, Defence and Trade, in 1999 and 2001. Those inquiries were preceded by a report by Justice Abadee in 1997 and one by the Ombudsman in 1998. There was also a report—which my colleague the member for Fadden just mentioned—by the WA coroner in respect of the fatal fire on HMAS Westralia, and another report written by Mr Burchett QC in 2001.

But the catalyst for action came in May 2005, following the recommendations tabled in the Senate by the Senate Foreign Affairs, Defence and Trade References Committee after its inquiry into the effectiveness of Australia’s military justice system, which found serious shortcomings within the military justice system and further highlights the fact that the proposed
legislation introduced here today is, quite frankly, overdue. The recommendations essentially covered two broad themes. The first was the replacement of the old system of court martial and Defence Force magistrate trials by a new Australian Military Court, retaining the existing right of appeal to the Defence Force Discipline Appeal Tribunal, an independent Director of Military Prosecution and the Provost Marshal ADF. The second was the major reform of the administrative system through which grievances are in fact handled. The majority of these reforms are now in place and appear to be operating satisfactorily, as regular six-monthly reports to the Senate committee indicate. On that point: all these reforms, including those introduced by this bill, are also subject to six-monthly reporting to the Senate committee.

The bill also provides implementation of the final links between the new summary discipline system, which is part of the military justice system, where many breaches of military discipline are first dealt with, as well as a number of other related matters. In 2005, when the previous government responded to the Senate committee inquiry, Labor in opposition did not accept all those recommendations. However, we gave conditional support to the bill at that stage and indicated that we would certainly be reserving our decision in relation to evidence in particular. Labor had a strong position on the evidentiary provisions, the rules of evidence, as they would apply to military justice. Our attitude has remained the same; hence, some of the provisions of the bill before the chamber reflect that very same attitude to the principles of military justice to which we previously referred when this matter was originally raised in the House.

Last September, the Senate Standing Committee on Foreign Affairs, Defence and Trade, in its report on the bill, expressed reservations about the provisions of the bill governing the application of the rules of evidence in proceedings before a military summary authority. The Rudd government does not believe that the previous government’s response to the committee’s recommendations on the matter was sufficient; hence, this new bill includes a provision to strengthen the rules of natural justice and the basic principles of the rules of evidence relating to relevance, weight and reliability, with those to be applied by any military summary authority. As a result, the government has through this bill strengthened the application of the rules of evidence. The government is committed to continuing the reform of the military discipline system to address the concerns of defence personnel, the parliament and, to some extent—probably to a large extent—the community generally.

It is not only fair that the changes intended to be made represent a balance and the maintenance of effective discipline but also very important that there is proper protection for those individuals who are subject to the military justice system. I think that point was made very effectively by the member for Fadden when he spoke on this bill. The bill introduces another element of military justice which reflects the inherent fairness of the civilian processes of justice but in a way that recognises reality as it applies to military discipline and ensures that it is applied fairly and efficiently and can be done so in the field. It also recognises that ADF operations are to some extent quite unique, requiring a far greater level of regulation than would normally be encountered in employment. The demands and the role of a military force require that our people working in such areas of conflict are able to effectively administer discipline efficiently and in a timely manner, but it must be done fairly. I think that is the point that has been made constantly as people support this particular bill.
The Rudd government, in recognising the need for additional constraints to these standards, believes that the military discipline procedures that accompany military justice must be timely, impartial and fair for all ADF members, and must be seen to be so by the Australian people as a whole. We know that commanders, particularly commanders in the field, bear great responsibility. Their role may require them to use lethal force. These commanders are required to ensure that this lethal force is used lawfully and to do this requires discipline. Discipline is the cornerstone of the ADF. It is the cornerstone of most military forces. That is certainly what is recognised in the Defence Force Discipline Act 1982.

In particular there is the summary discipline system, which is subject to this bill. The summary discipline system enables the timely dispensing of discipline with a view to maintaining not only discipline but also morale. The balance between discipline and the rights of individuals is key to achieving the operational effectiveness and the success that a nation expects of its military force. It is this balance that produces a defence force that can wield lethal force while reflecting not only the values of our nation in complying with our international obligations but also, to put it in lay terms, our position in relation to a fair go. The Australian Defence Force summary discipline system forms part of the military justice system, which, taken as a whole, must provide the safeguards necessary to protect the interests and rights of individual members of the ADF.

What this bill does is ensure the fairness and rigour of the military justice system through a number of means: simplifying and redesigning the summary discipline procedures, simplifying the rules of evidence as they apply, providing the right of appeal from a summary authority to a new Australian Military Court and the right to trial by the Australian Military College instead of a summary authority, and providing a review of summary proceedings. These are very important provisions to ensure that fairness and transparency operate in the way we administer our military justice. This is not about hindering the application of justice within our military service; it is not about constraining or imposing greater responsibilities upon commanders, whether it be in country or in periods of conflict overseas; it is about ensuring that it is conscious in the minds of all of those responsible for others that fairness and decency must be applied in the way we apply ourselves and judge one another in administering justice.

This bill is to ensure that the men and women of the Australian armed forces are provided with the necessary recognition under a system that presumes innocence, although it does take into account the unique nature of the military force where discipline must be administered swiftly, in a timely manner and often in the field. As a consequence of that, we recognise that there are two main aspects to this bill. Apart from military justice, we are certainly cognisant of the fact that this goes to the maintenance of morale and the rights of men and women of the Australian military forces in how they appear and are judged before an Australian military court. The matters subject to this bill are included in a review by the Senate committee, which will review and make recommendations on a six-monthly basis. I commend this bill to the chamber.

Mr SIMPKINS (Cowan) (11.26 am)—I rise today to speak on the Defence Legislation Amendment Bill 2008 to address the military justice system. At the end of 1987 I resigned from the Australian Federal Police to begin 18 months of very interesting and exciting training at the Royal Military College, Duntroon, starting in January 1988. Unfortunately, to my shame, I was charged twice as a cadet. That was my introduction to the military justice sys-
tem. It is a disgrace! Both my cadet charges were for heinous offences relating to uniform shirts—polyester shirts. It is a grievous tale. About eight weeks into my training, an inspection revealed that there were not enough ironed shirts hanging up in my cupboard, and so a charge was laid against me. As a result of that charge I had what was called a ‘restriction of privileges’, another very exciting moment in my life. After that charge was heard I had to report four times a day for seven days for dress inspections, and for one afternoon of about 45 minutes to an hour of drilling on the parade ground in marching order—which was with helmet, webbing, pack and, at that time, greens. That, too, was a lovely moment.

About a year later, in my final six months at Duntroon, after an inspection of vehicles—which was random in those days, interestingly—I was charged for having another uniform shirt in the boot of my car. It should have been in my cupboard. The week before, we had been drilling on the parade ground—those were the days of SLRs. Shoulder arms was a requirement as part of the drill. My buddy on my left and I were standing a little too close together. The bayonet on the end of his rifle went up and cut the inside of my sleeve—luckily only the sleeve. I thought that further ironing of that shirt was a bit pointless and, probably a bit recklessly, I chucked it in my boot, thinking that that would be okay. Unfortunately, that inspection—looking for contraband, which was just alcohol in those days—took place, and I was caught in possession of goods. As a result of that I lost two days of leave for the offence of failing to comply with a lawful standing order—in other words, having military equipment in my vehicle. So they were my first two experiences with the military justice system. I think most cadets at Duntroon had similar experiences.

The essential point here is that obviously these were not major offences in the military system, but they were treated as training opportunities. Every time you got charged, you then had to go forward and ask one of your mates to be the prosecutor, someone else to be the defender and someone else to be the clerk, as I recall. The cadet company drill sergeant, who was a member of the regular Army, a sergeant from one of the infantry battalions normally, would oversee the training aspects of the hearing, and the officer commanding, the OC who was the major in charge of the company, would hear it. As a little aside, I thought it was a bit ludicrous to be charged for a torn shirt. When they read the charge out, I looked down at the OC’s eyes—he had his cap on and was seated at his table—and a slight wry smile came over his face. Then I started laughing. My lack of respect for the system probably cost me those two days, whereas I might have got off with some other punishment. But loss of leave was not a big deal compared to the restriction of privileges and marching on the square.

After Duntroon I tried to keep on the right side of the military justice system. In June 1989 I graduated and went straight into the Royal Australian Corps of Military Police. In many ways military justice and the DFDA—the Defence Force Discipline Act—were pretty much the bread and butter of my occupation, at least in the early days of my career in the Army. Within the Royal Australian Corps of Military Police there are basically two main streams: the general duties side, which is the field force military police, and the Special Investigation Branch of the military police. The SIB is tasked with doing investigations within the military. The general duties side involves field military police doing things such as battlefield circulation—some people call it traffic control—in the area of operations and some investigations. But the SIB MPs were something like army detectives, although only about five per cent of them had ever actually done the full police detective course.
In my case, having come from the AFP, I had done stage 4 training, as we called it in those days, including records of interview and investigations in general. In my time with the MPS I also did a three-week investigators course with the Victoria Police. That all took place before I even did the eight-week SIB course in the military police. As an SIB commander with the rank of captain I was fortunate enough to lead teams of investigators—this was in 1993—across the major bases in Darwin, Townsville and Brisbane. I was posted to Brisbane. Unfortunately, in 1993-94 the SIB was broken up as part of an efficiency review. That left the SIB teams split up and without the technical support of an objective chain of command. I will cover the objective chain of command soon, because it will become relevant.

Under the revised structure I headed a small group of investigators based in Brisbane, again, unfortunately, with a marginalised MP SIB technical chain of command. That chain of command had no platoon command and few resources at its disposal. So we struggled with a command structure that was made up of a commanding officer and other ranks that had no experience whatsoever of commanding or administering SIB investigators. This was bad for professional military police investigators, because to receive resources for investigations I actually had to go to the unit commander and tell him where I wanted to go and what I was going to do there.

An example of the absurdity of the situation was when I informed my commanding officer—I think he was a transport corps Lieutenant Colonel—of my suspicions regarding the loss of property and fraud at a particular unit in southern Queensland. I informed him of that and asked him for resources. He said that he would think about it. I later found out that he had told his friend, who was the CO of that unit, about what I was talking about. I felt that that was a significant undermining of the investigations process within the military. I therefore believe that leadership remains an important part of the military justice system, because it has been the lack of leadership that has led us to the point where this legislation is required.

Given what I have already spoken about, it is from my experiences of conducting many an investigation in the Army and seeing the way some commanding officers acted that I now pass comments on this bill as possibly more than just a bystander in the process. I served this country as a commissioned officer for about 15 years and, for almost the entire time, I believed that the trouble with the military justice system was that the system was not allowed to work. I believe that the MPs and the SIB could do the job and that we MPs could operate within the DFDA to properly investigate matters. Sure, the equipment was not as good as it is now, but I had my view that we had enough to get on with the job.

My view changed around the time I finished my duties working on Olympic security at the end of 2000. What changed my view was that, as a major, I was given the task at land command to commence collating a list of harassment and similar problems across the units of the command. Land command controlled two divisions of the Army and the brigades down to almost all the field units. They were all under the command of land command. My recollection is that that amounted to more than 10,000 full-time and reserve soldiers. From the records I started assembling I saw that, while the Army was probably no worse than most large organisations at the time, there were enough cases to lead me to believe that there was a fundamental problem preventing the system from working.

But, before imparting my views in this place, it is probably best to speak a little bit about the leadership training of young officers in the Army. Again, my view is that the leadership
training is very good within the Army. Members may be aware that, when the Army talks about a commanding officer of a unit, they are invariably talking about a person holding the rank of lieutenant colonel who may well be in command of a battalion or a regiment. COs would always tell their young officers that, whatever happened, the buck always stopped with the CO. I think we even hear a bit of that around here. From what I saw during my time in the Army, responsibility very rarely seemed to land at the feet of the CO. I suspect that true responsibility ended when officers no longer immediately resigned their commissions when they disagreed with orders given or with government policy. Nowadays, officers seem to wait for a job before resigning and then they speak about how much they disagreed with their orders. Again, we have seen examples of that in recent history.

I mentioned before that I thought the system was not being allowed to work. I reiterate my confidence in the training provided in the Army for investigators; although some decisions made in the past did undermine the experience and skill levels of investigators serving at the time. It is my view that the problem originated where MP-SIB investigators did not have the ability to initiate investigations. Unit commanders, the COs, had to call for the SIB before an MP investigation would commence. My experience was that so often the damage was done before the SIB was allowed to investigate an incident that had happened weeks before. It always seemed that some poor sergeant or lieutenant from the unit was told to investigate the incident while still doing all their other duties. I recall several incidents of harassment that were investigated in that manner.

I would like to talk a bit about a not very happy little story that occurred in a unit in Enoggera around 1993 and was investigated within the Army. It transpired that a young female soldier was posted to an electrical and mechanical engineer workshop and a couple of corporals that had a command responsibility over that soldier took a liking to her for physical reasons. Those days are what I call some of the dark days of the military where there was still some tolerance, although hardly any, of this sort of thing. I recall that centrefolds could be displayed in working areas. These two corporals actually held up a centrefold and tried to make some verbal comparisons between this young soldier and the images on the centrefold, in some sort of infantile manner to attract her attention or make themselves more interesting to her. Of course that was a complete failure. But, again, there did not seem to be a whole lot of action taking place to stop that sort of behaviour on the floor in that workshop. There was a breakdown of the command structure and leadership within the unit.

The next thing that happened—and this is where things got out of control—occurred at a corporals’ dining-in night at the soldiers mess at Enoggera. Often the privates were told that they were rostered on to do the waiting and everything like that—bring the food out et cetera. Corporals obviously were the main ranks at the tables that were being served. Officers were invited as well. The case involved these two corporals. They were seated with a lieutenant in between them and this young soldier served them. During the evening, they talked about her and made jokes about her. After the dinner concluded, the young male lieutenant went to that female soldier and said, ‘It’s probably best if you do not go home tonight back to your barrack room because those two corporals talked about how they were going to come to your room and try to rape you.’ Obviously great moral doubt should be cast upon the corporals but, above all, the main problem I see is that a lieutenant did not see that he had a responsibility to act and take action within the unit. He would have said, ‘I’ve discharged my responsibilities.
by warning that young soldier that there was about to be a problem.’ He did not order those soldiers to the guard post or tell them they would be charged with prejudicial behaviour, which is what I think we called it in Defence in those days. He thought he had discharged his responsibilities by saying, ‘Look after yourself; just don’t go back to your room.’ The fact that an indictable offence, in civil terms, was about to be committed did not seem to have any impact. I think that maybe leadership training was not exactly all that successful in those sorts of cases.

It is no great surprise that aggrieved soldiers of both sexes have been dissatisfied with some of the processes within military justice. After a major incident, an investigation would be done on a part-time basis by unskilled persons, guided by the interests of the CO and heard by either the CO or, depending on the charge, a major within the unit. Possibly weeks later—and we are talking about the early nineties—the brigade legal officer, a major or a captain, would get to see the file. I guess what I am trying to say is that if a CO thought it was in the best interests of the unit, even those sorts of matters he would have investigated within the unit and charges would be brought within the unit, and people who were not really skilled in any form of investigation would take care of these matters. So it is little wonder that people had some doubts about whether justice was being done and whether the interests of the vulnerable were being looked after. I do not mean to say that COs always, or even frequently, intentionally acted to try to hush up incidents. In most cases, they tried to use their considerable experience to make judgements about what they thought was best for their units. It is, however, my view that because of this approach the system of military justice, where it specifically involves the ability of the military to investigate itself, comes undone.

I have great faith that a properly resourced and commanded investigations unit, as we have today, is capable of conducting investigations to the necessary and required legal standards, but it has to be backed up by a willingness of unit commanders to have problems investigated quickly and appropriately. Unfortunately, I cannot see that such a willingness has existed at all times.

I would just like to say briefly that I commend the new government for bringing this bill of the previous government back after it lapsed in 2007. I have very limited time left, but my key point is that rank has its responsibilities within defence. Leaders have a responsibility to stand up for the weaker and more vulnerable. Unit cohesion is not actually served by sacrificing the vulnerable. In my time in defence I have seen some outcomes of a misguided belief that the unit’s standing was more important than a properly constituted investigation. From that beginning, all other aspects of hearings, outcomes and even punishments are affected downstream. Overall, the system has worked in the past, but in some cases it has not. Given the origins of this bill and what it proposes, I commend the bill to the House. (Time expired)

Mr LINDSAY (Herbert) (11.46 am)—Thank you to the current government for making sure that the Defence Legislation Amendment Bill 2008 came forward. We all know that it was introduced by the former government, and that it has the support of the opposition, the government and the military, so it is non-contentious. I propose to use a small amount of the parliament’s time to visit an issue that I am getting some constituent concerns about, in relation to the military justice system.

Again, this is something that both sides of the parliament should consider. There is no politics in this. It is important that things are seen to be done right. The issue is in relation to mili-
tary boards of inquiry. I refer to three recent boards of inquiry, and one of them is current. The problem for defence is that defence is damned if it does and damned if it does not in relation to making military boards of inquiry open and transparent.

I will give you an example. You will all remember the loss of a Black Hawk helicopter off Fiji last year. In fact, two members of the military were killed. One of them was from Townsville and one was from Perth. We all remember the bravery of Melissa Bingley on the loss of her husband, and how she handled herself. The problem was that the government asked the board of inquiry not to publicly release the footage of the helicopter arriving back at the ship. But in its wisdom the board of inquiry said, ‘No; things have got to be open, transparent and accountable.’ So we were treated to endless replays of the deaths of two members of the Australian Defence Force on our television screens during the evening news bulletins. And it went on for a long time. I found it quite sickening to think that these were images of two members of the ADF going to their deaths. That should never have been broadcast.

The point that I am making is that the boards of inquiry need to be open and transparent but they also need to think about the family members who are left behind. In relation to Jake Kovco’s inquiry—and that is still going, in another form—the military knew of the very sensitive personal matters that were behind that particular issue. They should never have been made public—they should not have. They could have been dealt with behind the scenes, but they became public, causing enormous stress to Private Kovco’s family.

In relation to the current inquiry into the death of Ashley Baker in Timor, who took his own life quite recently, I have had a significant number of emails from defence families in Townsville who knew Ashley, saying, ‘Why does all this graphic detail have to be made public?’ I think you all know what I am saying. The problem, of course, that defence has is that if it does not make things public you get the squawking classes who say, ‘They’re hiding something. They’re holding inquiries in secret.’ Defence is not like that. Defence does not cover up. If something has to be addressed, it will be addressed.

The senior leadership of defence is here in this building right now. They are very fine people. There is no way they would ever, ever cover things up and not act upon them. I think we have to have a little more trust in the senior leadership of the ADF and say to them: ‘Where there are sensitive matters, keep them sensitive—keep them out of the public arena. Think about the families and members of the ADF who see this salacious material being paraded on the national news.’ That is my point.

I do hope that the Australian public, the Australian media and the Australian Defence Force will have a rethink about what gets released from boards of inquiry. Certainly this particular bill is a very solid step in the right direction in relation to simplifying and redesigning the military justice system. I certainly will be supporting this bill. (Time expired)

Mr SNOWDON (Lingiari—Minister for Defence Science and Personnel) (11.52 am)—I just need to advise that in the committee stage I will be moving an amendment, but I do not appear to have the documents from the Clerk in relation to the amendment motion. Firstly, may I thank the member for Paterson, the member for Fadden, the member for Cowan and the member for Herbert, from the opposition, for their contributions, and also Parliamentary Secretary Combet and the member for Werriwa, from the government side. As we know, the Defence Legislation Amendment Bill 2008 has the support of both sides of parliament. It was an

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initiative which was discussed in the last parliament and it has been resubmitted in this parliament.

The amendment bill will introduce some efficiencies in the process of summary justice. Essentially, the bill is designed to streamline the handling of trials where there is more than one offence but where those offences range in seriousness—that is, one, two or three. Where there are multiple offences, they will be bundled together and dealt with together according to the process for the most serious of the offences. This may be at the summary level, for all minor offences, or, for serious offences, before a single judge of the Military Court, or perhaps even a judge and jury. It also provides for more than one offender. Provision is also made for the defence military prosecutor to use his or her discretion in determining this process. I beg your pardon: I should not be reading that amendment.

The DEPUTY SPEAKER (Hon. KJ Andrews)—If it would assist the minister, I think the process at this stage is that you sum up and then we will move into committee and can deal with the amendments.

Mr SNOWDON—I understand. It was my negligence that led me to use the wrong document.

Mr Neville—Never!

Mr SNOWDON—But at least I admitted it. I again thank all those speakers. The Defence Legislation Amendment Bill 2008 recognises, perhaps a bit belatedly, that military personnel should have the same rights and protections as ordinary citizens. They should be protected by similar processes, recognising at the same time that military discipline must not be undermined.

The Military Court and the Director of Military Prosecution are now in place and independent of the chain of command. These are important fundamental reforms that were recommended by the Senate Foreign Affairs, Defence and Trade References Committee in its report of 2005. We also have some genesis in numerous other reviews, not least of which by Mr Burchett QC, Justice Abadee and parliamentary inquiries. The path has always been tortuous, but I think it is fair to say that there is unanimity in this place about the necessity for these changes. I again record my appreciation for the support of the opposition, bearing in mind that it was an initiative of the previous government in the first instance. We believe that, with this body of reform, the shortcomings of the military justice system that were identified by the committee will be overcome. The reforms will be underpinned by transparent, independent and fair processes. We also hope that, as a result of new fairness and independence, much of the behavioural problems at the base of past breaches will also be removed.

But there is more to do than this, and we acknowledge that. While we must be practical and recognise the realities of military discipline and its effectiveness in the field, there has been a traditional culture in some quarters which has not been conducive to better practice. Getting the balance right is therefore very important. For those who rue the loss of the old system, which was based on the old attitude of ‘march the guilty one in’, let me say that, unless this culture is diluted, the military’s image will continue to suffer. Australians, particularly young Australians—the notorious generation Y—have unprecedented choices in their careers these days and their interest in military service hinges on incentives and other attractions. I say that this equally applies to the administrative system for the handling of grievances. The process
of military justice must be independent and beyond question. It must be fair and transparent and it must be seen to deliver justice expeditiously without undermining military discipline in any way. It may be true that it is more cumbersome, less efficient and more expensive than the old system but we make no apologies for that. In a democratic society, military personnel, like other citizens, have rights and in future those rights will be better protected.

In conclusion, the additional clarity we have sought to apply to the rules of evidence in this bill, as opposed to the bill’s lapsed predecessor, is an attempt to get the balance right. We do recognise the need to be practical about minimising legality. We recognise that discipline in the field must be ready and uncomplicated but, at the same time, some of the basic principles of gathering evidence ought to be instinctive and should be based on some very important principles. There are checks in the system—we know that—but we would rather get the evidence better the first time, if only for the sake of efficiency, to avoid delays and to reduce the consequential impact of mistakes on ADF personnel. I will address the amendment in the consideration in detail stage. I thank all those who contributed to this debate, and I commend the bill to the House.

Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr SNOWDON (Lingiari—Minister for Defence Science and Personnel) (11.59 am)—by leave—I present a supplementary explanatory memorandum to the bill and move government amendments (1) to (14) as circulated:

(1) Clause 2, page 2 (table item 8), after “Parts”, insert “4A, “.

(2) Schedule 1, item 2, page 4 (lines 16 to 32), omit subsections 111B(1) and (2), substitute:

(1) At the commencement of dealing with a charge against an accused person, the summary authority must give the person an opportunity to elect, in accordance with section 111C, to have the charge tried by the Australian Military Court.

Note 1: If the summary authority is dealing with an accused person in respect of 2 or more charges (the linked charges) that arise from the same facts or circumstances, and the accused person makes an election to have one or more of the linked charges tried by the Australian Military Court, the summary authority must refer that charge or those charges and, unless the Director of Military Prosecutions agrees otherwise, any other linked charge to the Director of Military Prosecutions: see subsection 111C(3).

Note 2: If the summary authority is dealing with 2 or more accused persons together, the summary authority must give each accused person an opportunity to make an election in accordance with section 111C.

Note 3: If a charge is tried by the Australian Military Court because of an election under subsection 111C(1), the charge will be tried by a Military Judge alone: see subsection 132AB(2A).

(2) Subsection (1) does not apply in relation to:

(a) a charge of a prescribed offence; or

(b) a charge of any other service offence that:
(i) arises from the same facts and circumstances as a prescribed offence; and
(ii) is being dealt with together with that offence; or
(c) a charge of a Schedule 1A offence (other than a Schedule 1A offence covered by paragraph (b)), unless the accused person is:
   (i) an officer of or below the rank of rear admiral but above the rank of lieutenant commander; or
   (ii) an officer of or below the rank of major-general but above the rank of major; or
   (iii) an officer of or below the rank of air vice-marshal but above the rank of squadron leader.

(3) Schedule 1, item 2, page 6 (lines 3 to 10), omit subsection 111C(5), substitute:

   Decision not to elect to have charge tried by the Australian Military Court

(5) If:

   (a) the accused person:
      (i) does not elect to have the charge tried by the Australian Military Court; or
      (ii) does not make a decision within the time allowed under subsection (1); and
   (b) the charge is not referred to the Director of Military Prosecutions under paragraph (3)(b);

      the summary authority must deal with the charge.

(4) Schedule 1, item 2, page 6 (line 23), omit “and try”.

(5) Schedule 1, item 3, page 7 (lines 1 to 3), omit subsection 131(2), substitute:

   (2) However, this section does not apply in relation to an accused person who is an officer referred to in paragraph 111B(2)(c).

(6) Schedule 1, item 3, page 7 (lines 13 to 19), omit notes 1 and 2, substitute:

   Note 1: If the summary authority considers that it would be appropriate to impose elective punishments in relation to 2 or more charges that are being tried together, the summary authority must give the accused person an opportunity to make an election in relation to each charge. If the accused person makes an election to have one or more of those charges tried by the Australian Military Court, the summary authority must refer that charge or those charges and, unless the Director of Military Prosecutions agrees otherwise, any other linked charge to the Director of Military Prosecutions: see subsection 131AA(3).

   Note 2: If the summary authority considers that it would be appropriate to impose, on 2 or more accused persons who are being tried together, elective punishments in relation to one or more charges, the summary authority must give each accused person an opportunity to make an election in relation to each of those charges.

   Note 3: If a charge is tried by the Australian Military Court because of an election under subsection 131AA(1), the charge will be tried by a Military Judge alone: see subsection 132AB(2A).

   Note 4: See section 67 and Schedule 3 (in particular, subclauses 1(3) and (4) and 2(2) and (3) of that Schedule) in relation to the punishments that a superior summary authority or a commanding officer may impose on a person convicted of a Schedule 1A offence.

(7) Schedule 1, item 3, page 8 (lines 17 to 24), omit subsection 131AA(5), substitute:

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Decision not to elect to have charge tried by the Australian Military Court

(5) If:
   (a) the accused person:
       (i) does not elect to have the charge tried by the Australian Military Court; or
       (ii) does not make a decision within the time allowed under subsection (1); and
   (b) the charge is not referred to the Director of Military Prosecutions under paragraph (3)(b);
       the summary authority must proceed with the trial of the charge.

(8) Schedule 1, item 4, page 9 (lines 13 to 18), omit the item, substitute:

4 After subsection 132AB(2)
Insert:
(2A) If the charge was referred to the Australian Military Court for trial because of an election by
the accused person under subsection 111C(1) or 131AA(1), the charge is to be tried by a
Military Judge alone.

4A Subsection 132AB(3)
Omit “subsection (2) does not apply”, substitute “neither subsection (2) nor (2A) applies”.

(9) Schedule 7, item 2, page 57 (lines 16 to 30), omit section 103A, substitute:

103A Director of Military Prosecutions may decide that class 3 offence is to be tried by Military
Judge alone
(1) This section applies in relation to a charge of a class 3 offence if:
   (a) the charge is to be tried by the Australian Military Court; and
   (b) the charge is not to be tried together with a charge of a class 1 offence or a class 2 offence.
(2) The Director of Military Prosecutions may, if he or she considers it appropriate in the circum-
stances, decide that the charge is to be tried by a Military Judge alone.

Note 1: If 2 or more charges of class 3 offences against an accused person are being dealt with
together, the Director of Military Prosecutions may make a decision under subsection
(2) in relation to any or all of the charges.

Note 2: If 2 or more accused persons are being dealt with together in respect of one or more
charges of a class 3 offence, the Director of Military Prosecutions may make a deci-
sion under subsection (2) in relation to any or all of the charges against any or all of
the accused persons.

Note 3: The maximum punishment that may be imposed on a person who is convicted of a
class 3 offence that is tried by a Military Judge alone, because of a decision by the Di-
rector of Military Prosecutions under subsection (2), is imprisonment for a period of 6
months: see clause 2 of Schedule 2.
(3) If the Director of Military Prosecutions makes a decision under subsection (2), he or she must
inform the Registrar of this decision.

(10) Schedule 7, item 3, page 57 (line 31) to page 58 (line 14), omit the item.

(11) Schedule 7, item 4, page 58 (line 20), omit “paragraph 132A(3)(a)”, substitute “subsection
132AB(2)”.

(12) Schedule 7, page 67 (after line 18), after Part 4, insert:

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MAIN COMMITTEE
Part 4A—Trials by the Australian Military Court

Defence Force Discipline Act 1982

30A Subsection 122(1)

Repeal the subsection, substitute:

(1) A military jury must comprise:
   (a) for a trial of one or more charges if at least one of the charges is of a class 1 offence—12 members; or
   (b) for any other trial—6 members.

30B Section 132A

Repeal the section, substitute:

132A Trial of class 1 offences etc.

(1) This section applies to the trial of one or more charges if at least one of the charges is of a class 1 offence.

(2) The trial is to be by a Military Judge and military jury.

132AA Trials of class 2 offences etc.

(1) This section applies to the trial of one or more charges if:
   (a) at least one of the charges is of a class 2 offence; and
   (b) none of the charges is of a class 1 offence.

(2) The trial is to be by a Military Judge and military jury, unless:
   (a) if one accused person only is to be tried—the accused person elects to have the charge, or (if 2 or more charges are to be tried together) all the charges, tried by a Military Judge alone; or
   (b) if 2 or more accused persons are to be tried together—all the accused persons elect to have the charge, or (if 2 or more charges are to be tried together) all the charges, tried by a Military Judge alone.

(3) If the accused person, or all the accused persons, make an election under subsection (2), the trial is to be by a Military Judge alone.

132AB Trials of class 3 offences

(1) This section applies to a charge of a class 3 offence, unless section 132A or 132AA applies to the charge.

(2) If the Director of Military Prosecutions has decided, under subsection 103A(2), that the charge is to be tried by a Military Judge alone, the charge is to be tried by a Military Judge alone.

Note: The maximum punishment that may be imposed on a person who is convicted of a class 3 offence that is tried by a Military Judge alone, because of a decision by the Director of Military Prosecutions under subsection 103A(2), is imprisonment for a period of 6 months: see clause 2 of Schedule 2.

(3) If subsection (2) does not apply to the charge, the trial is to be by a Military Judge alone, unless:
   (a) if one accused person only is to be tried—the accused person elects to have the charge, or (if 2 or more charges are to be tried together) all the charges, tried by a Military Judge and military jury; or
(b) if 2 or more accused persons are to be tried together—any of the accused persons elects to
have the charge, or (if 2 or more charges are to be tried together) all the charges, tried by a
Military Judge and military jury.

(4) If the accused person, or any of the accused persons, makes an election under subsection (3),
the charge is to be tried by a Military Judge and military jury.

(13) Schedule 7, item 35, page 69 (line 7), omit “subsection 132A(2) or paragraph 132A(3)(c)”, substi-
tute “subsection 132AA(2) or 132AB(3)”.

(14) Schedule 8, page 73 (after line 27), after item 4, insert:

4A Application of amendments to trials by the Australian Military Court of multiple
charges or accused persons together

The amendments made by items 2, 30A and 30B of Schedule 7 to this Act apply in relation to
a charge of a service offence against an accused person that is to be tried by the Australian
Military Court if, before the commencement of those items, the accused person:

(a) had not made an election in relation to the charge under subsection 132A(2) or (3) of the
Defence Force Discipline Act 1982, as in force before the commencement of those items;
and

(b) had not been asked to plead in relation to the charge.

This is an important amendment—so much so that the passage of the bill is very opportune.
The amendment will introduce some efficiency into the process of summary justice. Essen-
tially, it is designed to streamline the handling of trials where there is more than one offence
but where those offences range in seriousness—that is, between classes 1, 2 and 3. Where
there are multiple offences, they will be bundled together and dealt with together according to
the process for the most serious of the offences. This may be either at the summary level—for
all minor offences—or, for more serious offences, before a single judge of the Military Court
or perhaps even a judge and jury. It also provides for more than one offender. Provision is also
made for the defence military prosecutor to use his or her discretion in determining this proc-
ess. Allowance is also made for circumstances where the accused has made an election for a
trial in preference to a summary process.

This is a straightforward issue but, as we can see from the amendment, it is indeed very
complex in the drafting. I may also say that it is, perhaps, inevitable in a matter such as this,
where the reform to the military justice system is so far-reaching, that operational realities in
this new legal regime might be unforeseen. This is one such instance, and no doubt we will
see further need in due course to undertake some finetuning. I commend the amendment to
the committee.

Mr BALDWIN (Paterson) (12.01 pm)—From the outset, we would say that the coalition
support this amendment in the general direction in which it goes. This amendment was
flagged at a briefing with Senator Minchin last week. However, the detail has only hit our
desk today, and I have had very limited time to read through it. Whilst the intent is admirable,
I think that perhaps, giving consideration to the number of reports that have been conducted
by the Senate, it might be prudent for the Senate to refer it to the Senate Standing Committee
on Foreign Affairs, Defence and Trade to look over the implications of this, to examine it, to
provide evidence and to report back.

It is key and critical that we do what we can to support the men and women in our Austra-
lian defence forces and that we give them a level of surety in the direction in which any disci-
plenary processes go. I am attracted to the option for them to elect to have trial by a single
Australian Military Court judge or, indeed, to have a jury there. These are attractive proposi-
tions. The proposition that it be made possible for the charge sheet for a series of offences to
be brought together and heard in one jurisdiction is also attractive. But, as I say, the detail
provided to the coalition has only been here for a matter of moments. In future, on matters
like this—requiring, and deservedly so, bipartisan support in making sure the men and women
of our military forces are represented with their best interests in mind—perhaps a briefing
ahead of time on the intention of the amendments so that they can be fully supported without
any reservation would be prudent. Without taking up any more time of the Main Committee,
the coalition supports these amendments because it supports the rights to access benefits for
those in our Australian Defence Force.

Question agreed to.

Bill, as amended, agreed to.

Ordered that this bill be reported to the House with amendments.

SCREEN AUSTRALIA BILL 2008

Cognate bills:
NATIONAL FILM AND SOUND ARCHIVE BILL 2008
SCREEN AUSTRALIA AND THE NATIONAL FILM AND SOUND ARCHIVE
(CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) BILL 2008

Second Reading

Debate resumed from 20 February, on motion by Mr Garrett:

That this bill be now read a second time.

Dr STONE (Murray) (12.04 pm)—I rise to support these bills. These bills, of course, are
not unfamiliar to the coalition or to me as shadow minister for the arts. It was the Howard
government that determined the film industry was best served with an amalgamation of the
three different but like-minded agencies to form a merged Screen Australia. Our bill to effect
these changes was made available for public comment in September 2007, and you see it vir-
tually unchanged or identical in wording to this bill presented today.

The Screen Australia Bill 2008 will create a single authority that should more effectively
and efficiently serve the great Australian film industry. Screen Australia can then better sup-
port what is a culturally very important and financially significant film industry; something
that we all are very proud of. We have a long history of producing quality, innovative and cul-
turally significant films. Through international exposure, our film work has helped create our
reputation based on both our historic tradition and our view of the future. Film making is a
high-risk, high-cost business and one that does need careful government support—especially
as governments in other countries like Ireland and New Zealand compete with tax measures
that offer alternative locations and production opportunities.

The new entity created through this legislation, Screen Australia, will be responsible for
managing support and sponsorship for film projects. Still not yet decided, and an issue which
I hope the minister is giving his attention to, is just how the Australian content or Australian-
ness of the films will be determined. Will eligibility for funding be cultural context and con-
tent or will it be the country of origin of the various workers in that film itself? That is yet to
be decided. The film industry, of course, is very keen to know. Screen Australia will be responsible for managing the Howard government’s film rebate scheme as well as the offshore production rebate that we put in place. It should build on the legacies of the Howard government in this area of the arts, provide a solid vehicle for future expansion and encourage quality work within the Australian film industry.

More specifically, the bill provides for Screen Australia to carry out the following functions: firstly, to support and promote the development of a highly creative, innovative and commercially sustainable Australian screen production industry; secondly, to support and engage in the development, production, promotion and distribution of Australian programs, and the provision of access to Australian programs and other programs; and, thirdly, to support and promote the development of a screen culture in Australia. Unfortunately, it is not sufficient to create this new entity. It also has to be adequately funded. There has to be resources for the new administration to be set up. There has to be a lot of extra investment in bedding down this new agency so it can fulfil those important and significant functions. We have already been told that this Labor government has slashed some $3 million over the next four years from what was the Film Commission and what will become part of Screen Australia. So it will be a new agency, but it will be, it would seem, a poorly funded new agency, perhaps strangled at birth unless this minister can become more influential with the razor gang.

The second bill before us is the National Film and Sound Archive Bill 2008. This is a bill to establish an independent agency. The National Film and Sound Archive is Australia’s pre-eminent audiovisual archive. It is to be found not far from here in its home on a Canberra campus.

Mr Neville—It is a very important facility.

Dr Stone—Indeed, it is a very significant facility. It was established in 1984 to provide for the preservation and accessibility of the nation’s audiovisual heritage. Independence and autonomy are not ends in themselves, but a means to an end. In fact, the existence of an effective and sustainable guardian for the national audiovisual memory is essential, but it too must be adequately funded. Again, I have to stress that this new government, the Kevin Rudd government, has seen fit to slash arts funding. With the new two per cent efficiency dividend, not to mention the other razor gang slashes already mentioned, we are living in quite some trepidation about how the National Film and Sound Archive will continue the excellent work it has been doing with its significantly diminished Australian government support.

I need to remind the minister who is in the committee room today that UNESCO has outlined very special requirements for audiovisual heritage. It sets out minimum standards of autonomy to support organisations in their mission and it does not shy away from the fact that this costs money. UNESCO defines an audiovisual archive as follows:

An audiovisual archive is an organization or department of an organization which has a statutory or other mandate for providing access to a collection of audiovisual documents and the audiovisual heritage by collecting, managing, preserving and promoting.

All of this of course requires adequate funding. The archivist’s mission is defined by the Australian Society of Archivists as follows:

Archivists ensure that records which have value as authentic evidence of administrative, corporate, cultural and intellectual activity are made, kept and used. The work of archivists is vital for ensuring organ-
isational efficiency and accountability and for supporting understandings of Australian life through the management and retention of its personal, corporate and social memory.

The audiovisual heritage includes documents, objects, artefacts and technology, the latter giving AV archives a strong museological aspect. The International Council of Museums, or ICOM, defines a museum as:

... a non-profit making, permanent institution in the service of society and of its development, and open to the public, which acquires, conserves, researches, communicates and exhibits, for purposes of study, education and enjoyment, material evidence of people and their environment.

That is what we hope will be the fulfilled destiny of our stand-alone National Film and Sound Archive for Australia. You heard my emphasis on the non-profit-making aspect of such an institution and therefore, unfortunately, it is dependent on public funding. Again I have to stress that this minister, in his first 100 days in office, has presided over the slashing of funding to such institutions, and this is of very real concern to the opposition, who when in government made sure that there was in fact an increase in arts funding in recognition of the significance of such a sector in our society for supporting the cultural development and well-being of all Australian people.

The definitions I have just mentioned demonstrate the philosophical and professional lineage of the NFSA within the field of memory institutions—the libraries, archives and museums which collectively maintain access to the nation’s memory. Let me tell you how little consideration those institutions have, sadly, been given in the first 100 days of the Labor government. I mentioned the museums and archives. Unfortunately, funding for the National Maritime Museum, which is in fact based in Sydney, has been slashed by $1½ million over the next four years—these are the arts cuts already announced. Funding for the National Library of Australia has been slashed by $3,000,800. Funding for the National Museum has been slashed by $2,000,600. Funding for the Australia Council itself has been slashed by $4,000,400.

These are major, iconic Australian institutions which cannot continue to collect or acquire our ongoing cultural materials and artefacts, given their treatment by this government in its first 100 days. We just have to hope the penny drops soon and the first 100 days will lead to backflips, as they have with things such as carer benefits—and, it would seem now, with something as simple as a horse levy, the $100 equine flu levy, where a backflip is in the wind. Let us hope that backflips on the slashing of Australian arts funding come through soon. I see the minister nodding; I am pleased that he understands the importance and significance of those slashes to funding.

The National Film and Sound Archive Bill will create a stand-alone statutory authority with, as I said, the responsibility for collecting and maintaining Australia’s film collection for the enjoyment of future generations. The Australian National Film and Sound Archive is already internationally renowned; in fact, it has *The Kelly Gang*, which has recently been acknowledged as the world’s oldest feature film, made in 1906-07. The significance of our Film and Sound Archive is recognised globally, and long may we be able to retain its excellence. As I said, though, it will require a different attitude from this government as to its resourcing.

There is another significant issue that I hope the minister will turn his attention to when it comes to the film archive—it is very closely related—and that is statutory deposit arrangements. We do not know what this government is going to do about statutory deposit arrange-
ments. This, for the minister’s edification, is all about where or how statutory deposits of film may be made. Perhaps there will be a selective statutory deposit scheme where the film archive is notified of what new film material is made and then choose what it wishes to have donated for collection for all time, or maybe the minister is thinking about a compulsory statutory deposit, something like the National Library system. Of course, film material is much more plentiful than published material, so these considerations have to be actively contemplated right now. Unfortunately, there is no evidence that the minister is even aware of this issue or of how he might be dealing with it as we establish this independent archive authority. Let us hope that, as a result of my reminding him today, he will turn his mind to the statutory deposit issue. It is certainly exercising the minds of archivists as we speak.

The third bill is just a consequential and transitional provisions bill to ensure that the agencies in the first and second bills—Screen Australia and the National Film and Sound Archive—can be established through a set of reasonable transitional arrangements. I repeat that, since our government introduced these initiatives in September last year, we support these bills. They are, of course, not unfamiliar to us.

Let me go on to talk about what is unfamiliar to us, and that is the incredible crashing and burning of arts funding in this country in the last 100 days. I am spending a lot of time talking to the arts community now, and I am quite shocked at the reductions in important programs that they are having to make. In considering their younger performer programs, they are quite aware that there will quite probably be an intergenerational gap in excellence in performer training in this country given the way the funds are being cut. They cannot continue as they were before with major support for young performers in this country. Let me go through for you, item by item, what has occurred in these first 100 days of Minister Garrett being responsible for the area of arts and perhaps being a victim of the Rudd Labor government’s razor gang. I cannot imagine he went along willingly with their decisions. What did we do in the coalition government years? What did we commit to? What did we achieve, and what has happened in these first 100 days of the Rudd government?

First of all, we were committed to developing a rich and stimulating cultural sector accessible to everyone in the Australian community. Let me stress ‘everybody’. I am the member for Murray, a rural and regional community, and we do not see much of the opera or the ballet, but we have certainly had a lot of touring companies like Bell Shakespeare, the Flying Fruit Fly Circus and so on. They really add to the cultural life and the sense of inclusion of our rural and regional community. The first thing that the arts institutions have decided is that with the slash in funding—the two per cent efficiency dividend, for example, which has been required of them—they will stop their touring programs. Australia is a huge country; the tyranny of distance is always a major contributor to whether or not we move programs across from, say, Sydney to Perth. Of course touring is the first thing to go if you have to cut performances. That is a great tragedy for this nation, particularly for rural and regional Australians, who are doing it so tough with drought or with flood. I see nodding opposite, so I am pleased that they understand.

We also assisted Australian artists to create distinctive and Australian cultural works that enrich our culture, national identity and reputation for international excellence. We helped the Australian film and television industry to forge new pathways to investment and to capitalise on opportunities for international partnerships. It has always been Liberal governments that
have built on the capacity of Australians to perform and to produce new works. It began for the Australian film industry in the days of the Gorton government, followed up by the Fraser government, who introduced the 10BA tax measures which stimulated the great Australian film industry resurgence.

In helping the film and television industries to forge new pathways, the Howard government understood cultural diplomacy. We established the Australia on the World Stage program, which was funded to the tune of some $20 million over four years. The program gave emerging artists, new companies, smaller companies and even larger companies the opportunity to tour overseas to develop international partnerships and their international reputations. I have to say that one of the very first cutbacks by the razor gang was to slash Australia on the World Stage. It is gone, so Australian performers, dance companies, poets, musicians and visual artists will no longer be able to have federal government support to move into the international arena to show their excellence. As I mentioned before, Australia is an expensive place to move from. It is not like slipping across the border in Europe. Without that funding, Australia’s new, emerging and established artists will be less able to gain recognition and less able to enhance the reputation of Australian performing arts offshore. I think that is a great tragedy. I ask Minister Garrett to review that particular funding slash. Perhaps it was the razor gang not understanding the importance of cultural life in this country. I ask that he revisit cutting the funding to that particular program—and others I will refer to—because it was a cruel blow.

The coalition also worked with our Indigenous artists to identify ways of protecting the value of their unique expertise and works of art. We were particularly concerned that a lot of our Australian Indigenous artists did and still do depend on CDEP—the Community Development Employment Projects program—funding, particularly in Northern Australia. You could say that Indigenous artists have been exploited over several generations, having been paid an allowance equivalent to Work for the Dole rather than being commercially rewarded for the value of their work. And it is not just the artists but those who support the artists—those who live in the communities, those who help market their art and those who work in the art galleries—particularly in smaller places like Katherine, Finke River and Haastes Bluff.

The coalition government understood only too well the potential for exploitation, and, in fact, the real exploitation, of a lot of Indigenous artists. We were in the process of transferring people in the arts sector—people in the emergency response areas of the Northern Territory, in the first instance—to real, paid jobs. We already had the first of these people on salaries, particularly in places like Finke River. I have to say that I was hugely disappointed to hear that one of the first moves of the new Rudd government was to announce that our transitioning of people off CDEP—work for the dole for Aboriginal people—into real jobs was to be halted and that there would be a review in some six or eight months about the whole business of CDEP funding. In the meantime, our transition to real work programs has been halted and therefore those art communities are back where they were, depending on welfare subsidies. I am talking about some of the most significant artists in Australian society today. I think that is shameful, quite frankly. I think it was one of the short-sighted moves in response to pressures during the election campaign. The Labor candidate, the member for Lingiari, went about talking to those who were profiting from the status quo of CDEP—and they were a tiny minority, those who were able to gain more income from top-ups and so on. The candidate helped secure his re-election by promising that CDEP would be retained. CDEP was sit-down money. It
excluded some 80 per cent of the local population who had no jobs and most of those on CDEP, mostly men, had no real work to do. It was a huge disappointment. Again I say to the minister: please re-examine what we were doing to support Indigenous people in the arts sector to be properly reimbursed for their artwork and to be genuinely upskilled, trained and initiated into the mysteries of art marketing and resale.

I put another issue to the minister, and that is the royalty resale scheme, which I understand the Labor government committed to as part of its election commitments. I have heard nothing from the minister in the first three months about the royalty resale scheme. It is a complex issue and, for Indigenous artists in particular, as he would acknowledge, a matter of huge import as their artwork passes from one owner to another, going from several hundred dollars reimbursement, say, out at Finke River to hundreds of thousands of dollars perhaps on resale in the international market. I ask the minister to address the royalty resale scheme urgently, because it is a matter that is of very live and real interest, particularly to Indigenous artists.

I want to talk about building upon the success of our world-class training institutions. The coalition put a lot of resources and effort into our training institutions to provide Australia with our next generation of artists and performers. We encouraged understanding, knowledge, participation and appreciation of Australian culture across Australia and the world. We did this through funding programs, not by writing press releases, giving interviews or making feel-good statements. We actually put resources behind our ideals and our values.

Let me go back to the business of younger people. I mentioned that our coalition government was very concerned about ensuring generations of young musicians and others develop their talents. The Young and Emerging Artists Fund was a coalition initiative which was commenced in 1996. It is in limbo, I am sorry to tell you. The Young and Emerging Artists Fund provided funds for fellowships, cadetships and so on for rural and regional artists, as well as metropolitan artists. As we speak, there is no advertising of those positions and there are no calls for expressions of interest, because bodies like NIDA, the Australian Youth Orchestra and so on have no idea what Labor is going to do about this emerging artists fund. They have had no instructions and no information. They do not know whether it is like the other axed programs: simply gone. Or is the minister contemplating something even more generous than that which the coalition put into the system? The young artists and performers want to know. They have to know. Our young and emerging artists deserve better than what they are getting right now from the Rudd government.

The coalition provided record levels of financial support, totalling $680 million in our 2007-08 budget. That represented an increase of $40 million since the previous year, and an increase of more than 65 per cent since Labor was in office last, in 1996. As I have said repeatedly, Mr Garrett has presided over a slash of over $40 million in his first 100 days. Sadly, we are told there is more to come, with the depreciation issue being revisited and the two per cent dividend on the table that the agencies must deal with.

The coalition introduced a $282.9 million film package, which was to bring more international film productions to Australia, encourage greater investment in the Australian film industry and strengthen our film production and acting skills base. All we have got so far from Labor is the legislation before the House today, the Screen Australia Bill, but no funding attached to it and heaven knows what might be attached in the future to anything they might call a film package. We committed almost $420 million over three years from 2007-08 for the
Australia Council—an increase of $20 million over the previous three years. Labor has already slashed the Australia Council funding by $4.5 million. That has been announced and is already being dealt with by the Australia Council, which is an umbrella funding body for the other institutions.

We committed over $30 million over four years from 2006-07 to make Old Parliament House the premier institution interpreting Australia’s political history. Canberra citizens are still reeling from the shock of the slashes to the National Capital Authority, which is making the icon institutions in the Australian Capital Territory look very much like the poor relations, given that many of them are still young and building up their collections.

We committed $26.5 million for the National Archives of Australia over four years for the new purpose-built preservation and record storage facility. As we say, the Labor government has no such commitment. All it is doing is enacting our legislation. There was a commitment for $10.6 million over four years, from 2006-07, to improve the governance, finances and artistic standards of the Australian Opera and Ballet Orchestra, and Orchestra Victoria. Mr Garrett is silent on that issue too.

The DEPUTY SPEAKER (Ms AE Burke)—You will refer to the minister by his appropriate title.

Dr STONE—I will, Madam Deputy Speaker. We were committed to securing the future of Australia’s small to medium performing arts companies with funding boosts in the 2004-05 and 2007-08 budgets, providing $7.8 million per year to 60 small to medium arts organisations. As I keep saying, Labor has slashed that funding, demanding a two per cent efficiency dividend overall, and of course it has taken away the international touring opportunities for any performers who wish to take their talents offshore. Then there was the Australian Chamber Orchestra’s funding slash. They can no longer put forward their international competition and their masterclasses—something they had become internationally famous for.

We had enhanced the stability of Australia’s 20 major performing arts companies, which benefited their combined audience of around 2.4 million Australians, including one million children. The 2.4 million Australian audience was a direct result of their better resourcing. Even more importantly than the better resourcing, we had ensured the stability or security of ongoing funding. Without that security, our 20 major performing arts companies are in serious jeopardy.

We provided $6 million over four years, from 2007-08, for the Bundanon Trust. We had developed and extended the visual arts and craft strategy to support artists, galleries, Indigenous visual arts centres and contemporary art exhibitions. Until three months ago, that coalition strategy had resulted in a 23 per cent increase in the earnt income of the organisations, a 98 per cent increase in public programs and a 41 per cent increase in gallery visiting numbers. We are very proud of those achievements of the John Howard government in the visual arts and craft strategy area.

What have we had in the first three months, or 100 days, of Labor? As I have said to you, we have seen funding slashed, we have seen the heart taken out of young performers’ futures and, in particular, we have seen a constraining of international exposure for our artists as our Australia on the World Stage program was slashed. As I said to you before, to ensure that generations of young musicians could develop their talents through the Australian Youth Or-
We provided $1.9 million over four years. We do not know about that funding’s future. We certainly do know that the Young and Emerging Artists Fund, which commenced in 1996 and needs re-funding from June this year, is in limbo.

We also supported the National Institute of Dramatic Art to the tune of $4.8 million over four years. NIDA—in the minister’s own electorate—waits with bated breath to see if it will be able to continue to be pre-eminent in Australia, training not only some of what have turned out to be the world’s best actors but also the producers, the makers of costumes and the interpreters of great and new works. All of that, as I say, is in limbo.

I will end with a quotation from the minister himself which I think is rather compelling. The minister, Mr Garrett, said:

I think most people who have ever had a go at writing a poem or doing a painting realise it’s very hard to do it well, but at the same time, for artists, it’s a choiceless act, although you’re choosing to do it because it’s your vocation.

You need more than a vocation; you need Australian government funding support. Arts can never be financially self-sufficient right across the board. I ask the minister to rethink his funding cuts. (Time expired)

Mr GARRETT (Kingsford Smith—Minister for the Environment, Heritage and the Arts) (12.34 pm)—in reply—I thank the member for Murray for concluding her remarks with a quote from me, and I would be happy to provide her with further quotes, at length, to deal with some of the issues that she raised in debating and responding to the legislation before the House—the Screen Australia Bill 2008, the National Film and Sound Archive Bill 2008 and Screen Australia and the National Film and Sound Archive (Consequential and Transitional Provisions) Bill 2008—but I do not think that is what people want to hear. I will say that the member opposite, the shadow minister for the arts, spoke about the Liberal Party’s commitment to the arts and Australian political history, but there is one thing that she neglected to address: that is the fact that, for the first time that I am aware of in Australian political history, the government of the day, the Liberal-National coalition, went to the 2007 election without an arts policy. There was no arts policy at all. We basically heard nothing from the then minister for the arts, Senator Brandis; we knew nothing of his views about the future of arts and culture in Australia. It was a glaring absence, a remarkable absence, at the time.

I say to members opposite that, rather than their description of the Rudd government’s approach to ensuring that there is fiscal prudence operating across all departments and portfolios—something that I had every expectation the opposition would in fact acknowledge and support—as slashed funding, what we are actually talking about is an efficiency dividend. That is absolutely clear. This government is tackling the inflationary pressures that were left behind by the previous government, and I do not expect any aspects or parts of my portfolio to be immune from that. At the same time, this government will ensure that Screen Australia and the National Film and Sound Archive are properly resourced. We will ensure that there is robust attention to the situations and conditions that artists across the spectrum find themselves in. We will ensure that there is a strong and clear voice of support for their endeavours. The voices that we heard from the past government—the former Treasurer, Mr Costello, and others—were voices of derision. The voices of the Rudd Labor government are voices of support.
I will refer very quickly to a couple of other remarks that the member for Murray made. I was very interested to see that she raised the discussion paper on the legal deposit issue. My understanding is that a discussion paper was committed to in 2004 and, three years later, it was produced. That seems to have been the totality of the opposition’s commitment to legal deposits. It is an issue that I will be looking at further down the track and I will endeavour to move a little more quickly than that, I have to tell you.

Finally, in relation to the shadow minister’s remarks about UNESCO, I really look forward to the opposition reviewing its approach generally to UNESCO and other UN instruments, because for 11½ years what we really had was disdain for the UN from Mr Howard, the former Prime Minister, and from members opposite. Now it seems they have discovered that UNESCO has produced a phrase that buttresses a political point they want to make here in the House. I hope this leads to better things—in other words, a more mature, more constructive multilateral engagement by the opposition with UN fora and institutions, including UNESCO. And I look forward to their support for a resale royalty. It is our intention to introduce legislation for a resale royalty scheme for visual artists. We have long said that it is a great deficiency in our system that artists, particularly Indigenous artists, whose work experiences pretty significant increases in price do not gain some measure of benefit from that. So I look forward to the support of the opposition.

As I said when we introduced these bills into the parliament on 20 February—and I do acknowledge the role played by the previous government in bringing this legislation forward in its initial phase—the government place a very high value on a creative and viable Australian film and television industry, and the passage of these bills is one means of providing support to the industry as it seeks to meet and overcome the many challenges it faces.

I note that the public consultation process showed widespread support for the new agency, which I strongly supported from day one in opposition in the Labor Party and in my capacity as shadow spokesman for arts and then shadow minister for the arts. I want to acknowledge and thank all those who took time to provide submissions. While all the submissions could not be acted upon, nevertheless they did inform the overall process and will continue to inform Screen Australia as it goes into its establishment phase. If Screen Australia is to do the job it is being set up to do, it cannot simply be an amalgam of the three agencies which will be merged into it, although the government acknowledges the very fine efforts of these agencies over many years. But Screen Australia cannot operate in distinct silos nor, on merging, with three separate cultures. It must become a unified single entity with a fresh perspective on the challenges which the Australian film and television industry faces.

The government expects Screen Australia to adopt a balanced approach to the various functions which it is required to undertake, to offer leadership to the industry during a period of significant change and to be efficient in its operations so that it maximises funding available for its programs. As Screen Australia will have a number of diverse functions and a broad range of stakeholder interests to consider, the board and management will need to ensure wide consultation in relation to agency priorities, objectives and processes to ensure all voices can be heard as the new entity emerges. However, I caution that the industry will need to be patient as the agency builds up to full capacity. The industry must also seek to change, grow and become more sustainable. The new funding body cannot and will not have all the answers. It will operate alongside the producer offset, and its functions and operations must be seen in
that light. The government is committed to putting the framework for change in place, but the extent of the change which occurs will largely be determined by industry willingness to embrace new approaches and explore new business models. It is an exciting challenge for both Screen Australia and the film and television industry, but one I am sure they will be able to meet.

In particular, I want to emphasise the importance of documentary funding through Screen Australia. As I indicated in the second reading speech, it is the government’s intention that the National Interest Program, currently administered by Film Australia, be strengthened and broadened so that programs of all types which are of special cultural and historical importance can be made. This is not meant to constrain Screen Australia from supporting documentaries through other funding programs where they meet criteria for funding. Indeed, I would hope that the documentary sector as a whole will benefit from stronger resourcing as a result of the creation of Screen Australia.

I am also excited by the potential of the new National Film and Sound Archive to become a national collecting institution of some note and to build on the good work that has been done by archivists there. I know that many people have lobbied hard for the archive to have statutory independence to assist it to be an even more effective institution than it has been to date. In particular, I want to thank Senator Kate Lundy for her ongoing support for the archive, and also the member for Fraser, Bob McMullan. I trust supporters will continue to provide input to the archive’s objectives, priorities and programs.

As I said when introducing this legislation, the archive cannot just be about maintaining and preserving the national collection. It will need to have a high public profile and an outward focus on developing public awareness of and access to the collection, as well as providing support to other less well-resourced collecting bodies around the country. With its new autonomy comes a requirement for greater transparency and accountability. Both the government and the industry will have high expectations of what the archive can achieve. I hope the archive itself will embrace this new role and status and seek to work with all its stakeholders to strengthen and expand its role so that generations to come will see it as a valuable resource and leader in its field. This legislation is important. The government strongly supports a viable and sustainable film industry, an expression of the great cultural vitality of our creative communities and of our nation.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

NATIONAL FILM AND SOUND ARCHIVE BILL 2008

Second Reading

Debate resumed from 20 February, on motion by Mr Garrett:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.
SCREW AUSTRALIA AND THE NATIONAL FILM AND SOUND ARCHIVE
(CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) BILL 2008

Second Reading

Debate resumed from 20 February, on motion by Mr Garrett:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

INFRASTRUCTURE AUSTRALIA BILL 2008

Second Reading

Debate resumed from 11 March, on motion by Mr Albanese:

That this bill be now read a second time.

Mr HAWKE (Mitchell) (12.46 pm)—Coming from an electorate which represents one of the fastest growing areas of Sydney, I know that infrastructure is of great concern to many people. Infrastructure Australia is a proposed statutory authority that will be established to advise all levels of government on matters relating to the provision of infrastructure. Infrastructure is important to many people. It is something that governments do need to act on, particularly for people in Western Sydney and in my electorate. I, like many others, will be supporting the Infrastructure Australia Bill 2008 today in the hope that we can get rid of some of the obstacles to getting good infrastructure that exist at the state level and the local level.

I would like to start, however, by making some general points about this bill. There are some concerns about this new statutory body. Firstly, I think it is very important that this body created by government not become an extra hurdle or burden that vital infrastructure projects have to get over. It must not add any delays or burdens to processes that, because of our federal system, can already be complex and unwieldy. I note in particular that there will be a 12-month review period, and I hope that this period does not become an excuse or justification for inaction on vital infrastructure by a new government.

Secondly, I would like to say that Infrastructure Australia does need to be nonpartisan in its approach. All of its appointments are made by the Minister for Infrastructure, Transport, Regional Development and Local Government and, in view of the gross politicisation of sectors of our Public Service at a state level, our community will be watching the operation of this new government bureaucracy carefully in the hope that it will be genuinely independent and able to add some value, not burden, to infrastructure planning in Australia. There are going to be 12 appointees, some made in agreement with the states, and I would also add a concern that there has been a lot of failed thinking in relation to the provision of infrastructure at a state level. I think it is quite necessary that we do not allow that same sort of thinking to dominate outcomes in relation to infrastructure from a national perspective.

I am going to spend some time today talking about some of the significant failures at the state level because I think Infrastructure Australia will achieve nothing if it is just the same faces and the same thinking. For example, if you look at New South Wales and examine the state public private partnership deals that have been allowed to exist under the current Labor state government, you see state government departments such as the Roads and Traffic Au-
authority allowed to engage in contracts with various companies, essentially to receive a payment direct to their department to close a legion of public roads, forcing people to use the privately funded infrastructure—the infamous Cross City Tunnel. That Cross City Tunnel deal, when it became public, became a scandal that the people of Sydney rejected. The government was forced to break its contract and, of course, the Cross City Tunnel consortium is now bankrupt. These kinds of episodes and experiences give a very bad name to public-private partnerships and this is, we know from experience, a further disincentive for private capital to get involved in public-private partnerships and also another burden. So it will be a good thing if Infrastructure Australia can examine some of the contractual arrangements at state level in particular and determine why there have been such failures.

The north-west of Sydney, my electorate, is one of the fastest-growing areas of Sydney. It is on the urban fringes of Sydney, one of our biggest cities. Infrastructure is desperately needed in Mitchell to meet the massive demands of growth. The north-west of Sydney is earmarked as one of the biggest growth corridors in our country. I guess one of the first performance measures that infrastructure will face is that if infrastructure continues to not be provided in urban fringe areas in the major growth corridors of our cities, then it will not have achieved anything except to add an extra layer of bureaucracy. For example, in the north-west of Sydney you have one of the biggest business parks, with the major national headquarters of 500 companies. There are 20,000 employees there. That will grow to 40,000 in about 10 years. There is no rail line. There is no mass transit system in this sector of Sydney and it is essential that we get one in the near future.

There has been some suggestion that the previous federal government failed somehow in relation to infrastructure, but the only working, functional piece of major infrastructure that has gone into Western Sydney in many decades was the M7. I am going to speak some more about that later. The M7, the orbital motorway that surrounds Sydney, has been a major success. In fact, when you look at some of the other state funded infrastructure and managed projects you get a lot of complaints about tolling and other matters, but I receive no complaints about the M7. It is a working and vital piece of infrastructure that was fully funded by the Howard government.

When you look at the provisions of this bill, there is scope for some positive developments. We do need to consider how best to remove regulatory barriers to getting good infrastructure at different levels, and hopefully this can be achieved. Looking at state and local governments, you can see some systems, levies and charges that really prevent good infrastructure from getting built. For example, infrastructure levies at the state level need to be looked at as well as the rates of infrastructure levies and the rate of return that people get for the amount of money that they are forced to pay in levies, taxes and charges.

In the 2006 National Housing Infrastructure Costs Study that was commissioned by the Residential Development Council it was found that indirect infrastructure charges for housing and home units have increased significantly in Sydney, far outstripping the growth in construction costs. Significantly, it has been the increase in indirect infrastructure charges covering roads and public transport which has been the most dramatic. As a result of these increases in levies, houses in Sydney now incur infrastructure charges of $68,233, of which over $66,000 relate to indirect charges. From 1995 to 2006, total indirect infrastructure
charges per lot for new housing developments increased by $55,000; an indexed increase of 171.9 per cent.

By stark comparison, Brisbane homes have seen no increase in indirect infrastructure charges while Melbourne has seen an indexed increase of just over 30 per cent. I will say that again: there has been an indexed increase in Sydney for new housing developments of 171.9 per cent for infrastructure. These significant increases in indirect infrastructure charges in Sydney have had a serious impact on the housing affordability in my electorate of Mitchell. Whilst the residents of Mitchell are paying more and more for infrastructure, they continue to receive some of the most substandard public transport facilities in the country. They are paying an indexed increase of 171.9 per cent, but the state government will not fund a rail line for the north-west of Sydney.

I want to speak about that for a moment. The New South Wales state government has really abandoned one of its core responsibilities here. One of Infrastructure Australia’s first priorities should be to consider the construction of a heavy rail line in the north-west of Sydney. I have written to Minister Albanese requesting an urgent meeting to discuss what the federal government can do to fund vital infrastructure in Western Sydney in a timely fashion. I know that the minister states that he wants a 12-month review—a 12-month delay to give time to discuss or examine that. A 12-month delay when you have been waiting 20 years for a rail line is another unfair imposition on the people in Mitchell. If you look at the record of the New South Wales state Labor government, there is a case for the federal government to intervene.

On 29 November 1998, three months prior to a state election, the New South Wales state government first promised $29 million for the north-west rail link from Epping Station to Castle Hill. Since then, the government has re-announced the north-west rail link five times. On 9 June 2005, Bob Carr announced an $8 billion, 15-year metropolitan rail extension program. This announcement included the north-west rail link, a new passenger line from Cheltenham to Rouse Hill and long-term plans to extend the Vineyard and Richmond lines. On 20 November 2006 the government re-announced the completion of the north-west rail line by 2017—the first stage to be completed by 2015 and the second stage by 2017. The government recently re-announced the line in June 2007 with an extension from Rouse Hill to Vineyard station on the Richmond line. All of this shows that if it were not for the previous federal government, very little would have been done in the last 10 years. The states are failing.

Another important matter that Infrastructure Australia needs to consider—and one of the major disincentives—is the bad reputation infrastructure is getting from tolling. The New South Wales state government have used a system of geographical discrimination based on where people live. They subsidise people for using some tollways but not for using others. They do it on the basis of where a person comes from and how they get to work. For example, people in my electorate pay tolls to get to work. Based on a 48-hour working week, motorists travelling to the city are now paying $16.90 a day—which is $84.50 a week, $330 a month or $4,056 a year—just to go to work. By contrast, a person using the M4 and M5 motorways in the south-west of Sydney pays $1.20 a day—which is $6.00 a week, $24 a month or just $288 annually once the state government rebate is received. That is $4,056 a year versus $288 a year. This is another example of a failure in the system of infrastructure that has been created in Sydney.
Residents of north-western Sydney pay an average of $4,000 in post-tax income on tolls—including the M2, the M7, the Lane Cove tunnel and the harbour tunnel—while residents in western Sydney using the M4 and M5 pay less than $300 a year due to cash-back schemes. For those members not from Sydney, what is the difference between M2 users and M4 and M5 users? I would argue that it is where they live; it is discrimination between a safe seat and a marginal seat; it is a deliberate policy of geographical discrimination put in place by the state government. Infrastructure Australia must take state governments to task for these appallingly discriminatory decisions. The use of subsidies for some areas of Sydney but discrimination against other areas, on no logical basis, must be abandoned. It will be a good thing if Infrastructure Australia can remove these sorts of scandalous arrangements from infrastructure management in Australia.

There are other major infrastructure projects that the New South Wales state government has failed on, and arrangements that must be considered in this review. You could talk about things like the closure of Epping Road—another public-private partnership in which the state government has closed lanes towards the Sydney CBD on a major public road to funnel people into a privately operated tollway. Again, the tollway and the public-private partnership is a good development. It is good to get private capital into infrastructure. It is good for the government to be encouraging it and ensuring that the arrangements can be put into place to manage it. It is manifestly wrong of any government—whether it be a state government or a federal government—to close public roads that have been paid for by people’s taxes over many years in order to funnel motorists onto a tollway or motorway so that they have no choice about the roads they use.

In addition we have seen other fiascos in Sydney such as the T-card fiasco. We are one of the few major cities in the world that does not have an integrated transport network. The New South Wales state government has spent 10 years planning for a smartcard system on Sydney’s buses, trains and ferries, yet it has become a total and unmitigated failure. This is another thing that is preventing the construction of integrated and future orientated infrastructure. Major cities around the world—including Hong Kong, London, Singapore, Melbourne, Brisbane and Perth—have successfully introduced smartcard technology for public transport, but not Sydney. We have four separate ticketing systems for trains, ferries, buses and light rail. That is disgraceful in a city like Sydney.

I also want to talk about some of the failures in infrastructure planning that have happened in other parts of Sydney. For example, we have had more rail lines cancelled. A Parramatta to Epping railway line has been announced many times before state elections but cancelled after those state elections. My essential point in reinforcing this failure at the state level, particularly on the part of the New South Wales state government, to provide infrastructure is that states do need to be taken to task over these failures. Infrastructure Australia ought to cooperate with the states, but it also needs to be very frank with them. It needs to say to the states: ‘You have failed here. You have given commitments. You haven’t met your commitments. We require a better performance from you.’ You cannot be cosy with the states when they have not provided essential infrastructure. It has to be critical where required, and it has to point to the failures of public-private partnerships whereby state government departments have negotiated their own deals which have resulted in a scandal and the bankruptcy of those private organisations. People in north-west Sydney—
Ms Neal—It’s a private risk.

Mr Hawke—Risk becomes a big thing—the risk is dealing with the New South Wales state government. I would argue that is one of the biggest risks. Never mind the constant attacks on oil companies. People in north-west Sydney also pay 52c a litre in excise. I think people want to see that 52c going back into their roads. It is not right that governments levy such a substantial amount on each dollar we pay at the petrol bowser and yet our roads in north-western Sydney are still in a shocking state. We need major upgrades.

Another important concern of Sydneysiders in the future will be the F3 motorway. Each day we have 75,000 vehicles travelling on the F3. During peak times 3,000 vehicles an hour vie for lane space. The F3 is well past its capacity and usefulness as Sydney’s northern gateway. Recently we saw the whole motorway closed because of a bushfire, and people were unable to access the northern gateway to Sydney. There was a recent report in the *Sunday Telegraph* that there were 16 closures on the F3 in at least one direction in the past year due to accidents or bushfires, causing delays of between 30 minutes and several hours.

The recent Pearlman report recommended that the government could begin work immediately on the construction of a link between the F3 freeway and Sydney’s north-west orbital at the M7. I strongly support option (c) of the Pearlman report. I would make another observation about this report. Infrastructure Australia are going to conduct a 12-month review. In this review they ought not to reinvent the wheel and start from scratch. They ought to consider examining very valuable and detailed reports such as the Pearlman report, which has recommended vital infrastructure. If Infrastructure Australia is only directed by the minister to look at the projects that he considers to be important, rather than having a broader look at what good work has already been done at the federal and state levels in recommending vital infrastructure upgrades, that will be a weakness in the new Infrastructure Australia system. The Pearlman report does call for option (c) planning to be commenced, which would see the second crossing of the Hawkesbury River. It would provide greater opportunities for business and better conditions on local roads. It is the option that the majority of local residents in my electorate of Mitchell would support. The state and federal governments do need to get on with the job of progressing option (c) and giving residents in north-western Sydney some reprieve.

There has been a contention in this bill and the events surrounding the formation of this bill that there was no action by the previous government in relation to infrastructure. As I mentioned, people in Western Sydney know that the previous federal government believed in the provision of essential infrastructure, and the M7 orbital project is an example of one of the best motorways in Sydney. Due to the strategic and economic importance of Western Sydney, and the fact that it had become the third-largest producer of GDP behind the Sydney CBD and Melbourne, the Howard government funded the Western Sydney Orbital. Many of my constituents remark that the tolls for the M2 and the state funded access routes to the city are exorbitant and negative. It is widely regarded that the M7 is well priced and useful, something that we can thank the previous government for.

Infrastructure Australia will be of no use to anyone if it is not completely nonpartisan. In the interests of transparency and open government that we hear so much about from the other side these days, the directions from the minister to Infrastructure Australia ought to be tabled before the parliament. I think that would really strengthen the system and the accountability to
this place. It is a sensible and proper proposal. It will not work if it does not ensure that there is accountability for the minister’s directions to Infrastructure Australia. I note that at the moment it is proposed that they be in the annual report of the Infrastructure Australia body. If that is the case, then why would there not be a provision for the minister’s directions to be tabled in the House?

Infrastructure Australia could be an important development in infrastructure in Australia. It must not, as I have spoken about, add an extra regulatory burden to infrastructure provision in Australia. It will not succeed if it does not urgently review some of the discriminatory policies that have happened at state level and some of the failures that states have made in the provision of infrastructure in Australia. It must urgently consider major projects in some of the fastest growing corridors of Sydney to recommend and fund the urgent construction of projects such as the north-west rail line and a second crossing of the Hawkesbury River. This minister and this Labor government must ensure that Infrastructure Australia is something that adds value to the process of infrastructure provision in Australia and does not add regulation and unfair burdens to already challenging circumstances.

Sitting suspended from 1.06 pm to 4.32 pm

Mr GRAY (Brand—Parliamentary Secretary for Regional Development and Northern Australia) (4.32 pm)—I rise to speak on the Infrastructure Australia Bill 2008. Failure to address the infrastructure challenges facing Australia will threaten our national prosperity, our job markets, our cities and our ability to address inflationary pressures. Put simply, this is an issue that directly impacts our quality of life. That is why the Rudd Labor government is establishing Infrastructure Australia. Infrastructure Australia will advise on national infrastructure priorities, better arrangements for investors, better use of our current assets and improved capability and planning. Better infrastructure means better communities. It means liveable cities; water and energy getting to where they are needed; cars, trucks, trains, ships and planes leaving and arriving on time. It means a more productive economy delivering better living standards and reductions in man-made emissions to the air, soil and water.

Australia is a trading nation. Getting our agricultural products, manufactured goods, minerals and services to international markets is how we make our way. Australia’s geography and distribution of our population means that we are dependent on efficient infrastructure investment and use. Underinvestment in infrastructure reduces our ability to trade in international markets. Failure to fix infrastructure shortfalls, supply chain bottlenecks and urban congestion puts a brake on economic and productivity growth. It also puts stress on our communities.

Infrastructure is about the future. National coordination of infrastructure is a key element in the government’s plan to lift productivity and fight inflation. It requires national leadership to tackle the bottlenecks and backlogs in strategic infrastructure such as transport, energy, communications and water. It was recently estimated by CEDA that it would take around $25 billion of new investment just to bring Australia’s strategic infrastructure up to scratch. In an intelligent economy, infrastructure systems interact organically, building interdependencies, network benefits and synergies. In Australia, our infrastructure systems can create interdependencies, but frequently they heighten the risk of problems flowing virus-like from one network to another. For example, capacity constraints on our railways and on our roads affect the functioning of our ports. Water shortages impede industrial and mineral production and,
frequently, improvements to our arterial roads simply push traffic snarls and congestion downstream.

The solution requires cooperation at all levels of government—Commonwealth, state and local—as well as the involvement of all sectors of the economy, public and private. Unfortunately, until now, the provision of important infrastructure has been considered in silos, in isolation, within different levels of government and without dialogue between the public and private sectors. As recently demonstrated capacity constraints in the Queensland and Hunter Valley coal chains have shown, a lack of coordination between governments and the private sector inevitably results in a loss of national income and reduced opportunities for our export industries.

Infrastructure investment needs to be determined objectively and according to long-term need, thereby creating an environment conducive to greater public and private investment in common user and public infrastructure. The Business Council of Australia in its *Infrastructure action plan for future prosperity* report called for an integrated long-term planning framework across jurisdictions for the coordinated provision of infrastructure to underpin sustained strong economic growth. The nation needs a mechanism that will achieve both of these ends and, in so doing, lock in Australia’s future prosperity and higher productivity.

The government has started building that mechanism. It is called Infrastructure Australia. Infrastructure Australia takes a two-pronged approach. Firstly, it will lift investment in new infrastructure. Secondly, it will make better use of existing infrastructure. Infrastructure Australia’s initial task is to conduct a national audit to determine the capacity and condition of nationally significant infrastructure. This audit is to be completed and presented to the Council of Australian Governments, COAG, by March 2009. It is ambitious, but we have to be ambitious. The longer we wait and the slower we are, the worse the problem will get. After taking into account expected future demand, the audit will also identify gaps, deficiencies, impediments and bottlenecks across important sectors of the national economy.

Infrastructure Australia is the new mechanism to identify the nature of our infrastructure shortfall and the broad investment, legislative and regulatory responses required. Synergies from streamlining guidelines, legislation and regulations across jurisdictions will make for more competitive environments and more efficient planning and use of infrastructure. Infrastructure Australia will have the capacity to improve tender processes and contract documentation between Commonwealth and state jurisdictions. Harmonising procurement guidelines means investment partnerships being better. Whether they provide for public-private partnerships, private delivery or public delivery of infrastructure, they can deliver better value for money and investment dollars can be matched with infrastructure priorities. Nationally consistent best practice public-private partnership guidelines will be available by the end of the year and will make it less expensive for local and international companies to invest in Australian infrastructure. Robust regulatory and market priced frameworks will encourage efficient use of infrastructure and timely investment in new and updated infrastructure.

The matter is urgent. Our cities are facing challenges that reduce their liveability. While the economic cost of congestion in our major cities has been estimated at $9.4 billion in 2005, on a business-as-usual basis it is expected to increase to $20.4 billion by 2020.

The solution cannot be simply one of building our way out of the problem but of examining more fundamentally the competing demands and overloads right across the infrastructure.
spectrum. This legislation establishes Infrastructure Australia as a statutory advisory council to develop a strategic blueprint for our nation's future infrastructure needs. In partnership with the states and territories and in consultation with the private sector and local government, it will oversee the blueprint’s implementation. Infrastructure Australia will provide advice about the infrastructure gaps and problems that hinder economic growth and prosperity. It will also identify investment priorities and policy and regulatory reforms that will be necessary to enable timely and coordinated delivery of national infrastructure investment.

The Infrastructure Australia council will have 12 experienced members, drawn from industry, government and local government. The new Office of the Infrastructure Coordinator will be a statutory office within the Infrastructure, Transport, Regional Development and Local Government portfolio, supported by a small team of professionals. COAG has created an infrastructure working group which will have a critical role in devising the reporting arrangements to COAG for Infrastructure Australia as well as the scope for the infrastructure audit. The emphasis will be on the future capacity of strategic infrastructure to improve national productivity. In addition, Infrastructure Australia will be expected to provide advice on regulatory reform that can improve the utilisation of infrastructure and streamline new projects. It will propose ways to harmonise legislation and regulation across jurisdictions.

Our infrastructure shortfalls and bottlenecks have developed over the past decade. They are exacerbated by the current economic circumstances. Solutions will take time but we must start now. Infrastructure Australia is the first critical step. I commend the bill to the chamber.

Mr MORRISON (Cook) (4.42 pm)—I rise to speak in support of the Infrastructure Australia Bill 2008. This bill is for the establishment of a new body, as the previous speaker was outlining, whose primary function will largely be the provision of advice on infrastructure priorities to the federal government and governments at the state and local level, to investors in infrastructure and to owners of infrastructure. It will advise on Australia’s current and future needs and priorities relating to nationally significant infrastructure. It will also advise on impediments to the efficient utilisation of national infrastructure networks and provide advice on options in reforms, including regulatory reforms, to achieve efficiency gains in the nation’s infrastructure networks.

There is no doubt that infrastructure planning and delivery by definition need to be well planned and coordinated in order to maintain a healthy level of growth in the Australian economy. Without regular investment in road, rail and port infrastructure, bottlenecks develop and these hinder productivity, which in turn can increase costs faced by business and industry. But let us not deceive our constituents by allowing a false perception to be created by this bill. Under the Australian Constitution, much of the nation’s vital economic infrastructure is the responsibility of the states. Roads, highways, ports, electricity and water have traditionally been funded and provided by state governments and, in many cases, local governments under the authority of state governments. However, traditionally the Commonwealth has had the financial capacity to assist the states in the provision of infrastructure and provides grants to state and local governments to fund infrastructure projects.

Let us also understand the issue and not deceive our constituents into thinking that this bill marks some form of new ground zero in national infrastructure development in this country, because it surely does not. The Commonwealth government has become involved in important nation-building projects over many, many years. The most obvious and the most signifi-
cant and iconic in the Australian imagination and in reality is the Snowy Mountains hydro scheme, built between 1949 and 1974. It was the largest engineering project ever completed in Australia’s history. This project and its workforce changed our nation forever.

More recently AusLink was established by the former government under John Howard to deliver funding for the nation’s most critical land transport infrastructure. AusLink mark 1 was an $11.8 billion land transport plan that incorporated former national highways, key urban freight routes and key rail links between capital cities. An investment of this scale could only have been made possible because of the Howard government’s strong record of economic management. A record 10 surplus budgets in a row delivered the capacity to deliver billions of dollars of national infrastructure projects, including roads, railways and ports. AusLink identified a national land transport network, including links to airports and shipping ports. It was a multimodal plan comprising both road and rail and was applauded at the time for integrating them. There was an emphasis placed on improving transport corridors between the nation’s largest cities. Improvements to freight routes were also vital for business and industry.

During the 11½ years of the Howard government many important infrastructure projects were delivered as a consequence of good fiscal responsibility and strong and prudent economic management of our nation’s purse strings. Some examples in my own home state of New South Wales of the benefits of this sound economic management and funding that found its way to important infrastructure projects include the Western Sydney orbital, a project which I think is one of the only Sydney road projects, at least in recent memory, that has not become a public farce. Three hundred and fifty-six million dollars of federal funds was given to this $1.5 billion transport project, at the urging, I might stress strongly, of the many Western Sydney Liberal members of parliament at the time. The remainder of the funds came from the private sector. The orbital has proved to be critical infrastructure for Sydney’s booming employment hub in Western Sydney as we see whole new developments come up along the hub and along the corridor. This is becoming an important distribution network for Sydney, for New South Wales and for the nation more generally.

But there are others. The Albury bypass: $25 million of federal funds was given to this $524 million project to construct a freeway standard bypass of the Albury urban centre. The Tugun bypass, an infrastructure project straddling the New South Wales and Queensland border: $120 million of federal funds was given to this $543 million road project linking Queensland’s Gold Coast with the Pacific Highway near Tweed Heads in northern New South Wales. There was the duplication of the Sheehan Bridge on the Hume Highway at Gundagai. This project is being undertaken entirely with funds allocated by the former Howard government under the AusLink program. The Pacific Highway upgrade: before 1996 just nine per cent of the Pacific Highway between Hexham and the Queensland border had four lanes. Because of funding provided by the Howard government, more than 39 per cent of that highway is now dual carriageway in the areas I have mentioned. There is the widening of the F3: $86 million of federal funds went into widening the F3 between the Hawkesbury River and Calga. This project has improved traffic congestion on a road that carries more than 60,000 motorists and 7,000 freight vehicles per day. The North Kiama bypass: the Howard government contributed $34 million to this $179 million project, which removed a dangerous bottleneck on the Princes Highway south of Wollongong. The Hume Highway: federal funds were allowed
for forward planning on the Newell Highway bypass at Holbrook and Tarcutta. The $179 million Coolah bypass is being fully funded with federal funds under AusLink. Also, members driving to Canberra from Sydney will have noticed recent improvements to the Hume Highway north of Goulburn at Towrang and Carrick roads. These roadworks were completed with federal funding of about $7.5 million.

The benefits of AusLink did not stop at highway construction. There was significant funding allocated to important railway infrastructure. The Australian Rail Track Corporation manages over 10,000 route kilometres of standard gauge interstate track in four states, which I am sure would be of great interest to the former member for Farrer and former Deputy Prime Minister, who is a keen enthusiast on rail matters and would have been very excited about this initiative. Recent investments of federal funding through this program included $2.4 billion invested to upgrade the interstate and Hunter Valley rail system. Federal funding enabled the replacement of the old rail bridge over the Murrumbidgee River at Wagga. Trains no longer need to slow to 20 kilometres an hour. They can now cross the river at the more acceptable speed of 80 kilometres an hour. The Sandgate flyover in the Hunter Valley provides grade separation between coal trains heading to the port and other trains using the main line between Sydney and Brisbane. This $80 million investment delivers the rail infrastructure that is needed to meet the future demands of Australia’s coal exports from Newcastle.

I now turn my attention to some of the failures that we have seen in infrastructure in my home state of New South Wales and also locally, and the failure of the state government of New South Wales to invest in infrastructure. It is not a misrepresentation of the truth to say that the New South Wales state Labor government has a reputation for being a bungler when it comes to important infrastructure projects in that important state—that is, the projects that it delivers. Many do not even get past the announcement phase. They get announced many times—in fact, I suspect more has been invested in the public relations associated with the announcements of some of these projects than has actually been invested in infrastructure itself—but many do not even get past the announcement phase before they die a horrible death at the hands of the New South Wales Treasury, the New South Wales Treasurer or just general government incompetence.

An example of their track record includes, of course, the Monty of them all, the Cross-City Tunnel. The handling of that project was nothing short of a debacle. This $1 billion investment by the private sector opened in 2005 and, within months, the state Labor government reversed local road closures and diversions as part of a contract they negotiated in secret with the Roads and Traffic Authority. This was taken by many to be a signal that you cannot do business with the New South Wales government. If you are going to have negotiations about infrastructure projects, have them in the open. Do not have them behind closed doors. When you are exposed by the incompetence and narrow-mindedness of those negotiations, you put at risk the credit and investment reputation of your state because you have been unable to be upfront with the people who put you there in the first place. As a result, it was not long before the tunnel owners went into receivership and a fire sale saw the project sold for just $694 million. But, despite all of this, and the reputation of the tunnel, motorists are going to be slugged with a 46c increase in their toll next month.

The 3.6 kilometre Lane Cove tunnel, built at a cost of $1.1 billion, opened to motorists in March 2007. It should have opened in February 2007 but, as we know, this was delayed, at
some considerable cost to the taxpayers of New South Wales. During the construction, part of an apartment block fell into a section of the excavations. Some of us will remember the fairly devastating image that we saw of units hanging precariously over a large hole. We also know of the tragedy and devastation experienced because of how long it took for those people who were affected by that incident to get compensation. For many in Sydney, this project, this hole in the ground, reflected everything that was wrong with the city’s crumbling infrastructure—congested roads and poor public transport. But worse was to come. As I said before, it did not open until March. It was supposed to open in February. At a $25 million cost to the taxpayer, it was delayed until after the March 2007 state election.

Ms Hall—Madam Deputy Speaker, I have a question that I would like to ask the member for Cook.

The DEPUTY SPEAKER (Hon. DS Vale)—Will the member for Cook allow the question?

Mr MORRISON—Yes.

Ms Hall—My question to the member for Cook is whether in his speech he is advocating that the federal government take over all of the Sydney infrastructure or whether he is just having a general complain or whinge about the state government. I ask what he is really contributing to this debate, other than to just talk ad nauseam about state issues instead of trying to put forward some ideas for the federal parliament. I would be very interested to know whether he wants the federal government to take over the role of the state government.

Mr MORRISON—that raises a very valid question. This new Infrastructure Australia organisation will, I suspect, provide advice—that seems to be its primary reason for being—about who should be handling these things and how they can be achieved. The simple point I am making is that the government is making quite a lot of noise about its intention to do something about infrastructure but it would seem that the clearest obstacle to infrastructure delivery in this country presently is the incompetence of state governments—and that is something it is going to have to address.

The Prime Minister puts himself out there as some sort of new ‘father of federation’ when it comes to these issues. I would be very interested to know what Infrastructure Australia is going to have to say about how the federal government is going to get the state governments to actually do their jobs, and we will see an end—

Ms Hall interjecting—

Mr MORRISON—that member makes reference to whether I am just whingeing about these things. I am joining a very strong chorus of people in New South Wales who are sick to death of the bungling of the New South Wales state Labor government. We do not want to see this continue. If the Prime Minister believes he can come to a better deal with the states about how these things are delivered, so be it, but these things must come to an end and we need the infrastructure this is talking about.

I have spoken about the Lane Cove tunnel; I want to talk about the desalination plant, which is another legacy of Bob Carr’s trip.

Ms Hall—Madam Deputy Speaker Vale, I seek to intervene.

The DEPUTY SPEAKER—is the member for Cook willing to give way?
Mr MORRISON—I am happy to address questions later, given the time—

Ms Hall—The format is that you take them as they come along.

Mr MORRISON—If you have any other questions, I am happy to talk to them outside, but I am keen to finish the present topic.

The DEPUTY SPEAKER—The member for Shortland has had the opportunity to ask a question.

Mr MORRISON—The desalination plant was a legacy of Bob Carr’s trip to Dubai. Labor made a commitment to build an unwanted desalination plant at Kurnell, costing the taxpayers and water users of New South Wales ultimately more than $2 billion. The Iemma state Labor government ignored all reasonable arguments against a desalination plant and proceeded with this enormous waste of taxpayers’ money. In particular, they completely ignored the opportunities for stormwater harvesting and recycling. They totally overstated, and continue to misrepresent, the cost of stormwater harvesting and, more importantly, water recycling in New South Wales. They completely dismissed a very constructive proposal from the opposition regarding the conversion of the SWOOS system in south-western Sydney to produce potable water for Sydney at half the cost of what was being proposed for the desalination plant at Kurnell. They also broke the trust of the community and the expert panel, breaking their promise not to proceed with the desalination plant unless dam levels hit 30 per cent. Currently, Sydney dams are at 66.5 per cent of full capacity and are rising.

Recycling is not the more expensive option, as the government like to claim. When they talk about recycling being more expensive they are referring to the turning back of the Sydney ocean outfalls, which will cost upwards of $3 billion. But there are other options available to the New South Wales state government which they routinely ignore, which does not make good economic sense and certainly does not make good water management sense.

Finally, given the constraints of time and the questions posed by those opposite, I will address one last matter. It is a matter that is very dear to people who live in the Sutherland shire: the F6. The F6 is a freeway extension that is an absolute necessity for the people who live in Cook and electorates that surround Cook. If this freeway is built, it will take thousands of cars off local streets of the Sutherland shire each day and improve truck access between the Illawarra, Sydney airport and Port Botany. These ports are increasing their activity and will be putting more traffic through the suburban streets of the shire. These are the streets where, at one point in time, kids used to play footy on the nature strip. These streets are now clearly too dangerous because of the traffic volumes that are going through the suburban streets in the shire. The time has come for the F6, which has been on the record books since at least 1951 or earlier; it is about time to get on with it. I would hope that this project receives some serious priority in the national infrastructure audit that is to be undertaken by Infrastructure Australia. Currently, the freeway ends at Waterfall and, from there, each day thousands of cars must use the Princes Highway and other local roads to get into Sydney.

The benefits of building the F6 extension have been well known for a while and were recently highlighted in a report released by the NRMA. The report indicates that there would be economic flow-ons arising from the construction of this project that would not be confined to the local region but would be shared throughout New South Wales and Australia. The report shows that more than 1,000 jobs would be created directly as a consequence of undertaking
this project and the total economic impact of the project is worth $3.4 billion to our economy, at a cost of just $2.3 billion. Incidentally, that is roughly the same cost of the desalination plant at Kurnell.

Industries likely to gain a benefit from the project include the road transport industry and the fuel industry, and the food and beverage industries will profit from lower transport costs. Despite these benefits to the region and to the Sutherland shire more specifically, our state Labor member for Miranda maintains his opposition to this important infrastructure project while vehemently supporting the desalination plant that nobody wants or needs. If we had the choice, if there were $2.2 billion or $2.3 billion on the table, which there clearly is on behalf of Premier Iemma in New South Wales, to undertake a major infrastructure project that will benefit the people of the Sutherland shire, it should not go to the desalination plant at Kurnell—which has just added further disgrace to a site that should be revered as our nation’s birthplace and one of the most significant sites in our nation; it should go to the F6 extension, which would provide real economic and social value. The cost of the project I have referred to is the tunnel option, the preferred option. If the issues surrounding tunnels are properly managed—and I must admit I am somewhat concerned about the ability of the state government to actually manage a tunnel project where the filtration is properly managed and properly funded—the tunnel option is far superior to continuing the farce at Kurnell, which is the desalination plant.

What is created by this bill is not a road or a bridge; there are no funds for roads or bridges in this bill. There are no funds for new ports or new coal loaders in this bill, and there is no new Snowy in this bill. This is a bill to establish a government agency to provide advice—there are no new funds—and that is meritorious, which is why we are supporting this bill. Let us have the advice, let us have the agency, let us get out there and do an audit of the infrastructure needs and let us be candid about that audit. I wish them well with their objectives but I remain to be convinced that it will be little more than another bureaucratic adventure at the hands of the bureaucratic master himself, the Prime Minister.

Ms GRIERSON (Newcastle) (5.02 pm)—I am very pleased to rise today as a representative of the great nation-building Labor Party to support the Infrastructure Australia Bill 2008. After 11 years of Howard government neglect a more nationally coordinated approach to infrastructure reform is long overdue and certainly critical to our future. It is critical because unlocking the infrastructure bottlenecks that exist around our nation will help to unlock better economic performance and higher national productivity. This is the proposition that we put to the Australian people last year, a proposition they endorsed at the ballot box, and I am pleased that we are acting on that proposition so early in our first term.

The two key roles of Infrastructure Australia will be to audit the adequacy of the nation’s infrastructure and to develop an infrastructure priority list based on this audit for consideration by the Council of Australian Governments. Infrastructure Australia will advise governments, investors and owners of infrastructure concerning nationally significant infrastructure priorities; policy and regulatory reforms that are desirable to improve the efficient utilisation of national infrastructure networks; options to address impediments to the development and provision of efficient national infrastructure; the needs of users; and possible financing mechanisms.
Nationally significant infrastructure would include transport, energy, communications and water infrastructure in which further investment will materially improve our national productivity. Infrastructure Australia will be structured with a 12-person council, and I am very pleased that the minister has announced Sir Rod Eddington as the chair. The Office of Infrastructure Coordination will be created in the Department of Infrastructure, Transport, Regional Development and Local Government, with an infrastructure coordinator and up to 15 staff to support the work of Infrastructure Australia. Those are the mechanics of this legislation and of Infrastructure Australia.

The philosophy behind it, though, flows from the great Labor tradition of nation building. It was Chifley who built the Snowy, Whitlam who brought First World infrastructure to the outer suburbs of our cities and Keating who introduced the Better Cities Program, one that I certainly had intimate dealings with as a director of the Honeysuckle Development Corporation in Newcastle. So in Newcastle we do know a bit about the Better Cities Program and the sort of national building programs that Labor has historically instituted. The Better Cities Program certainly helped us after the BHP steelworks closed, when we needed to transform from an industrial city to a city with a diversified economy. The Better Cities Program was a great model of how communities undergoing transformation could boost their economies, investing in areas like affordable housing, creating jobs and bringing a new vibrancy to their cities.

As Newcastle continues to grow and change, so do its infrastructure needs. Its energy, transport, water and communications challenges are laid out for us as we face greater population pressures. So I am very pleased that the Rudd Labor government that I am a part of will continue in that fine tradition of nation building. We have appointed the nation’s first minister for infrastructure and we are here debating a bill that is the embodiment of our desire to once again give the Commonwealth of Australia clear leadership when it comes to nationally significant infrastructure.

In stark contrast, the former Howard government left us with an 11-year legacy of neglect. In communications you will recall that the former minister had 18 different broadband policy announcements, but we still have the slowest speeds of most developed countries. Not one of those policy announcements resulted in areas in my electorate like Shortland or Thornton getting decent connections. With water infrastructure we had the former environment minister’s $10 million grant for experimental rain-making machines, which was against his department’s advice, I recall. In energy we had the former Prime Minister’s plan for 25 nuclear reactors along the east coast, including one proposed for Port Stephens, in the Hunter region. In transport we had such neglect that without action we know that the congestion on Australia’s roads would be likely to treble by 2020.

Fortunately, the Rudd government plans to put Australia back in the business of nation building through improvements to its infrastructure. We are getting straight to work on the more than $25 billion infrastructure backlog that the previous Howard government has left us. The first task we have set Infrastructure Australia is to audit our national infrastructure and set out a priority list of projects. This is the first step: taking stock of the deficit and developing a plan to tackle it. By taking a coordinated national approach to infrastructure investment, we will make sure investment is directed where it is most needed—in productive capacity.
Infrastructure shortfalls are currently costing us 0.8 per cent of GDP in lost production. We have low export volumes, high foreign debt and 3.6 per cent underlying inflation. I was a member of the House of Representatives Standing Committee on Economics, Finance and Public Administration during the parliament’s last term, so I well remember the 20 warnings delivered by the Reserve Bank to the previous government. They were very specific and very pointed but they were ignored. Last year, for example, at our August hearing the RBA Governor said:

... inflation is likely to be around three per cent over the coming year and near the top of the target zone in the following year

That was about three months before the election—an election in which we once again saw the former government ignoring the warnings and continuing its irresponsible spending spree. What the Rudd government wants to do is to invest responsibly in the areas where our productive capacity will actually be enhanced, because there are areas that do need investment. In my own electorate we are very much aware of the shortfalls, and off any of our beaches you can see our coal ships lined up over and over again.

By 2009-10 the mining boom will have delivered close to $398 billion into federal coffers. By the time of last year’s federal election, the former Howard government had really delivered no sensible ideas on breaking the bottleneck at the port of Newcastle. While I acknowledge the contribution of the ARTC, it was certainly a matter of too little, too late; their efforts to continue that expenditure have been very welcome. I also note that Nick Greiner, the former Premier of New South Wales, is currently looking into a solution to the bottleneck at the port of Newcastle and I applaud the state government’s initiative in that regard.

The shipping of coal out of Newcastle is an extremely complex business. It is not like 1799, when piles of coal sitting by the dock were loaded onto ships via wheelbarrows. We ship nearly 81 million tonnes of coal, valued at almost $6 billion, each year. Thirty different coal producers send their coal from the Hunter Valley along the coal chain and along a railway track owned by the private and public sectors to the port of Newcastle. The trains are operated by two different operators and it becomes very complex. It is a big job but I also note the state government’s investment in a third coal loader, which will increase our capacity by about 30 million tonnes when completed in 2010. It is long term and it is complex, but with Infrastructure Australia the Commonwealth will finally be looking at how places like the port of Newcastle fit into the national economy and national infrastructure plans.

In June last year, during one of the wildest storms that most of us had ever seen, people will recall that one of those coal ships waiting off the coast, the Pasha Bulker, actually ran aground. While that ship was being beached, thousands of Newcastle homes were being flooded due to a massive failure of the stormwater system under those extreme conditions. I note that one of Infrastructure Australia’s tasks will be to provide advice on infrastructure policy issues arising from climate change. If we are going to experience those weather extremes more often, then Infrastructure Australia will have a big role to play in making our cities not only more liveable but also sustainable and survivable.

Last year I convened in my electorate two meetings of my region’s energy industry representatives—the energy generators, coal companies, researchers and unions—to talk about positioning our region to lead the fight against climate change. They were very positive meetings. We all recognised that, as a centre for energy production and export, our region has a
responsibility to make these activities sustainable into the future. At last year’s election, Labor committed $50 million for an Australian solar institute in Newcastle and $55 million for a clean coal package. So the Rudd Labor government has made these concrete commitments to fighting climate change and securing a sustainable energy future. Once again, the audit of infrastructure needs by Infrastructure Australia will help us to understand how regions like ours fit into the energy infrastructure of our nation as a whole.

As with all of the policies that we put to the people last year, Labor is about looking to the future and tackling the big issues such as climate change, infrastructure and productivity. I see an exciting role for my region in that future, but I also see a growing population demanding the infrastructure they need to productively contribute to the economy. They certainly do not want to see infrastructure lag behind the progress of regional growth. They want something to be done about the congested roads as people commute in and out of our city every day. For cities like ours, which are linked to major areas like Sydney, the Hunter and the Central Coast, the people do want to be able to get to Sydney or to travel north by train or road faster and with fewer delays. The F3, the major link between Newcastle and Sydney, has already had major blockages twice this year as a result of crashes. Most travellers also agree that the time it takes to get to Sydney by rail could certainly be reduced.

Without investment from the Commonwealth government those sorts of major projects really have not been able to be escalated. But Labor did make some excellent commitments at the election to help get freight onto rail to ease road congestion, and I look forward to Infrastructure Australia’s audit of other projects that will help the productive capacity of my region. I also look forward to its consideration of airports. Newcastle is the fastest growing regional airport in Australia and I notice it has been mentioned in dispatches recently when a second Sydney airport was floated again in the media. So the future of our airport definitely needs to be considered in the national context. We will have to look at the road links to the airport as well as the rail links, of which there are none at the moment.

When you live in an industrial revolution, you see such rapid growth. Our region is one of mining engineers and skilled people who are constantly flying out of our city to consult and advise around the world. So if we are serious about expanding our airport, which I am, we have to be serious about improving the infrastructure and transport links to it. Once again, I look forward to Infrastructure Australia’s audit of our nation’s priority needs and seeing where my region and the city of Newcastle fit in. Unlike the Howard government’s approach, this bill establishes a way of looking at our needs from a national perspective so that each region fits within an overall coordinated approach so that it can fully contribute to our nation’s productive economy. I commend the bill to the House.

Mr HAASE (Kalgoorlie) (5.14 pm)—This has been an interesting debate so far, but, believe me, some interesting finds were made while researching for this debate. It is interesting to note that prior to the 2007 federal election much was made by, at that stage, a campaigning Labor group talking about the need for a fresh approach to the creation and funding of infrastructure right across Australia—because the states, presumably, were doing such a poor job of the situation. You would know, Mr Deputy Speaker Georganas, that the states are responsible for the creation of infrastructure that keeps the products of this nation moving.

It is interesting that on the one hand this Labor Party seeking election was saying that the infrastructure of Australia had collapsed and was substandard. I presume, therefore, that on
the other hand the Labor governments in the states were substandard and that there was this
great need for a new initiative. This new initiative turns out to be a rehashed old initiative. As
I said, when I was researching my speech it became very confusing because I was referring to
two documents. One was a transcript of a speech to the Infrastructure Finance Forum back in
June 2003 made by the Hon. John Anderson, Deputy Prime Minister at the time. He was also
Minister for Transport and Regional Services. The other document I was looking at was the
current minister’s second reading speech. I found some amazing comparisons. For instance,
the minister speaks of ‘the cooperation of all Australian governments’. And I find in Minister
Anderson’s speech a reference to ‘the cooperation between all levels of government’. The
minister: ‘lifting investment in the nation’s physical infrastructure while at the same time get-
ing the most out of our existing assets’. Minister Anderson said: ‘better ways to utilise exist-
ing and new infrastructure’. The minister said: ‘involvement of all sectors of the economy,
both public and private’. Minister Anderson said: ‘drawing in private sector expertise and fi-
nancial flexibility’.

It goes on and on and on. At the end of the second reading speech by the minister, he re-
ferred to the wonderful vision of former Prime Minister Chifley in reference to the Snowy
Mountains scheme, how it crossed borders and was not for just one state but for the nation.
Quite frankly, I would suggest that the current minister would have done a lot more, and done
so more honestly, had he referred to the hard work of former minister Mr Anderson and his
speech to the Infrastructure Finance Forum back in 2003 and had he honestly and sincerely
acknowledged the formation of AusLink 1 and 2 which has been left as a very solid heritage
for this new government in Australia.

We have already had a number of commitments from this new government. Perhaps they
were throwaway lines, but the Australian public did not think so. The party said: ‘We’re going
to control grocery prices. We’re going to reduce fuel prices. We’re going to reduce interest
rates. We’re going to take a magic wand to every pre-existing condition right across Australia
affecting the hardworking families of this nation. And we’re going to create this wonderful
new entity called Infrastructure Australia.’ I put to you that they are simply going to re-badge
AusLink 1 and 2, the main principles of which were in place by 2005, with state transport
ministers reporting net infrastructure priorities to the Commonwealth.

This new, re-badged AusLink 1 and 2 has already suggested that we are going to continue
with the funding initiatives of AusLink 1 and 2. But that calls for funding of $22 billion
through to 2014. We also hear from this new government that we are going to tackle inflation.
And yet we have had a statement from the leader of this new government to the effect that he
will spend in excess of $2 billion on necessary transport infrastructure across Australia. And,
further, he gave a commitment to attend to all pre-election promises. If we are going to tackle
inflation in a serious manner, if this is such a serious threat to the economy of this nation
when we are making never seen before budget surpluses, if inflation is such a major problem,
how will this Rudd government solve the problem by putting an additional $2 billion of fund-
ing out there for hastily selected projects, cherry-picked around the nation, in addition to the
$22 billion already committed under AusLink 1 and 2?

The whole premise of the debate today is the necessity for this wonderful new entity. Is it
new, or is it simply plagiarism of the very solid, effective ideas of a previous government—
rebadging them at unnecessary and huge cost to the taxpayers of this country with new letter-
heads, new signs on offices and a whole new group of people forming yet another committee? We have the committee for grocery price reduction and the committee for fuel price reduction, we are going to make housing more affordable, we are going to reduce interest rates—all manner of things are going to be tackled with this new government’s magic wand. But for what gain?

Is this new government seriously condemning the state Labor government transport ministers and the veracity of the program that they have put together? It is probably lurking somewhere on the existing minister’s desk right now, being absolutely ignored because this new federal government obviously does not trust the workings of the existing state governments—this, of course, from the leader who says, ‘No. 1: we’re going to end the blame game.’ I wish he had said that he would start recognising the great financial foundation that he inherited, that he would give due process to playing the credit game. ‘Give credit where it’s due’, ‘A fair go for all Australians’—great old Aussie adages. But, no, this new government publicly state that they are going to end the blame game, but they immediately, by their actions, blame the state transport ministers for being incompetent, because the program that they put together, and had been doing so since 2005, does not have the prioritisation of infrastructure necessary for the nation and its transport task.

If there were any relevant, solid contradiction to what I am saying then we would not be talking about funding in excess of $2 billion worth of hand-picked, favoured infrastructure projects. We would not be talking about the infrastructure in the nation being substandard. We would be saying, ‘We have a Constitution, and the Constitution clearly states that states are responsible for land management.’ In that regard, going back to the statement that they will end the blame game, an article in the *Australian* back in 28 January, written by Nigel Wilson, says:

Rudd believes Infrastructure Australia is a way to manage problems inherent in the Australian Constitution, which gives the state governments responsibility for land management.

What does this mean? The author of this article, I believe, thinks that we now have such a degree of self-importance that not only will we usurp the states and their role in providing those necessary infrastructure projects but we will reinterpret the Australian Constitution to our own advantage. What end to the megalomania? Perhaps we need several magic wands so we can keep up this pretence to the Australian people that in the past all things were bad and in the future all things will be rosy courtesy of this new Labor government, adding to the current wall-to-wall Labor governments right across this nation.

Many Australians were conned by this incoming government. They listened to the pre-election rhetoric, heard what was being said, believed it and voted—and I accept it—very convincingly. But I wonder how they are going to feel down the track when they see no effective change. How are they going to feel about grocery prices continuing to be within the same range, petrol prices continuing to go up and interest rates continuing to go up—twice since the government was elected. How are those voters going to feel? Dudded, to say the least, Mr Deputy Speaker. They will feel absolutely dudded. They will start to ask themselves: ‘Why did we do this? We believed the rhetoric.’ And the rhetoric was just that. Where is the substance now? Where is the new information contained in this bill that was not contained in AusLink 1 and 2? Where is it?
I have reams of information which I find has been plagiarised, virtually, from things that were said by the previous government in 2003. What is being said by the government? They are saying: ‘We are going to attend to the needs of regional centres because many of our regional centres require the turnover of tourist dollars. If those centres do not have good road infrastructure they will not get the tourists coming, because the highways will be congested. So we need to approach the issue of reducing congestion on the highways.’ That is in this new legislation and in the minister’s second reading speech on the legislation—but, hey, it is also contained in the 2003 speech to the infrastructure finance group. Remarkable! It continues: ‘If we do not have good forward planning, our cities will be less liveable and there will be growing public health problems associated with vehicle emissions.’ There is a reference to that in the minister’s second reading speech. It was also contained in the speech to the forum back in 2003. I cannot find anything new in this information.

Why didn’t this wand-waving new government simply accept the fact that there was a fine system for the regulation and prioritisation of infrastructure in this nation and that it was being well funded from the Commonwealth perspective—not from the states’ perspective because, remember, under the Constitution they are responsible for land management. The additional top-up fund from the Commonwealth was coming from AusLink 1 and 2. The new government has decided to accept it and to continue it, yet we had this circus pre-election campaign about the wonderful new era of infrastructure in Australia.

There has been a lot of bluster, a lot of rhetoric and a lot of hot air spouted about this brave new world. But, at the end of the day, what we have is simply a little more of the plastic facade of this government as it tries to maintain the pretence to the Australian people that it will actually do something about the existing problems, rather than simply face up to making the hard decisions to change the situation and ease the impact of some of those problems on the hardworking Australian families that we are all here to serve. We are not here to serve the continuing rhetoric of this new government; we are here to serve the people of Australia. The people of Australia were well served in the past, and my fervent desire is that this new government, with all its bluster and wand-waving, will be assessed by the Australian public in six months time or 12 months time—but not in three years time, let me assure you—as having done the job.

I suggest to you that this government will be found extremely wanting because nothing in this legislation provides for change. Nothing in this legislation says anything about this brave new world; all it does is re-badge the existing legislation at additional cost to the Australian taxpayer—and the Australian taxpayer, do not forget, is a member of a hardworking family somewhere and they are the people that we are here to serve.

As the House reflects on passing this legislation, I wonder if they would contemplate whether there was any necessity to make any change whatsoever and whether we are going to see in this brave new world the new Prime Minister breaking his promises to the electorate and not funding all of these pre-election promises. Is he going to break his promises or is he going to attend to those promises, maintain the expenditure of $22 billion up until 2014 and fight inflation? That will indeed be a magic act to see. I suggest it will need multiple magic wands because he is going to spend more money, he is going to, by his actions, reduce jobs and he is going to keep inflation down. I look forward to that outcome because he will be a replacement for Merlin the Magician, I am sure.
I am not sure that when he attends to those election commitment promises he will cast his eyes much further than the horizon of the state of Queensland. I represent the powerhouse of this nation’s wealth, the Kalgoorlie electorate in Western Australia, and I have looked at the commitments. We are talking about $2.2 billion in Queensland and $160 million in Western Australia. Well, isn’t that pathetic? Obviously, he allocated the funds on the basis of need. Obviously, the Queensland government is incredibly behind the pace. They must have been doing a very bad job, because they need $2.2 billion. Western Australia, where we have the longest roads, the most sparsely populated area and are making the money for this nation, is going to get $160 million dollars. It beggars belief. I wonder how the facade has been maintained for even this long. Good luck in the maintenance into the future and, even though we know we will not be able to prevent the passage of this bill, good luck to the people of Australia.

Ms GEORGE (Throsby) (5.33 pm)—I must say I found the contribution just made by the member for Kalgoorlie really missing the point of the Infrastructure Australia Bill 2008 that is before us for debate.

Mr Haase—It wasn’t complimentary.

Ms GEORGE—It is not the issue of being complimentary; the point is you have missed the central essence of what Labor is trying to achieve and that is to acknowledge what the Reserve Bank had warned your government, the previous government, of for over a decade: that the infrastructure bottlenecks were causing capacity constraints in the Australian economy. We want to do something about that in cooperation with the states and we want to end the kind of blame game that we saw exhibited in the comments that the member for Kalgoorlie has just made in his contribution.

I think the member for Kalgoorlie really does miss the point that, over the time of the Howard government, the federal government vacated the field in terms of nation building. And the Rudd Labor government certainly sees a very important role for the federal government, with an agenda that includes a vision for the future, nation building and working cooperatively with existing state governments and local government.

I want to talk a little bit about the bill rather than engage in a response to the member for Kalgoorlie’s comments, which really had little bearing on the detail and substance of the issues that are before us at the moment. As you know, in the lead-up to the election the Rudd Labor government made much of the fact that we needed to lift the level of investment in new physical infrastructure—and not, as the member for Kalgoorlie suggests, just in the road network; it goes beyond that—and at the same time make better use of the nation’s existing infrastructure. Our investment in this area is part and parcel of our fight against inflation, our commitment to raise productivity and our commitment to sustained economic growth into the future. It does recognise, unlike the member for Kalgoorlie, that the Reserve Bank has been sending warnings that infrastructure bottlenecks—they exist in my region; they probably do in the west as well—are a severe constraint on our economic capacity and performance.

As part of our plan to fight inflation, the Rudd government is offering for the first time a truly national and long-term approach to the provision of infrastructure. We have been working hard since coming into government to put in place the right policy structure to support our infrastructure plan and program. And that is the issue that is before us in the Infrastructure Australia Bill 2008, the details of which were remarkably neglected in the contribution made
by the member opposite. You would know if you looked at the detail of the bill that the policy structure that we are promulgating in this legislation is the creation of Infrastructure Australia, a statutory advisory council consisting of 12 members drawn from industry and all levels of government.

We believe that, in providing new national leadership on a very important infrastructure agenda, we need to take a two-pronged approach to tackle existing bottlenecks. First of all, we need to look at creative means for lifting investment in new infrastructure. That will obviously involve working in public-private partnerships where they are appropriate. At the same time, we want to make better use of our existing infrastructure assets. Strategic investment, in our view, is required to overcome our infrastructure backlog, which in the areas of land transport, water and energy alone is estimated to be worth in the order of $25 billion. Obviously that is not going to be solved overnight, and we do not profess to have any magic wands, but we do recognise that it is a severe problem in terms of fulfilling our mission to see sustained economic growth and to keep that inflation genie in the bottle.

We need to have a clear picture of our investment needs and time frames, so one of the first tasks of our new statutory authority will be to undertake a national audit to first of all determine the capacity and condition of Australia’s nationally significant infrastructure. We hope this audit will identify gaps, impediments and bottlenecks, as well as taking into account expected future demand. This information will inform the development of the infrastructure priority list to guide future investment decisions. We hope that this will be completed within 12 months and presented to COAG by March 2009. The time frames, as set out in the bill, are ambitious but obviously they are necessary. The information determined by the audit will provide us with a sound base upon which decisions for the future will be made and allow a better matching of investment dollars with the nation’s infrastructure priorities.

While no doubt there is a need for investment in new assets, we must also recognise that it will take time before new infrastructure is built. However, we believe there is much action that can be taken in the short term to help ease the kind of infrastructure bottlenecks that my colleague the member for Newcastle referred to at the port in her region. We will be looking at streamlining guidelines, legislation and regulations across jurisdictions to see whether we can coordinate them in a more efficient way and use our existing infrastructure in a more efficient manner to serve the economic imperatives of the nation.

Interestingly enough, the Productivity Commission itself estimates that, just in the implementation of competition and regulatory reforms affecting transport, energy and export infrastructure in areas of regulation and planning, if we were to have a concerted effort to implement competition and regulatory reforms we have the potential to save around $10 billion and, by so doing, add to national output by up to two per cent of GDP. The issue of what can be done in the short term with existing infrastructure is a vital component of our overall agenda.

My area of the Illawarra is a major industrial centre and we do require, like other regions, efficient and up-to-date infrastructure. We have had a lot of investment by the New South Wales state Labor government in the port at Port Kembla, which is going to be expanded to become a major centre for imports in addition to the large exports of coal and steel already handled there. Investment in two infrastructure projects in particular would help the Illawarra cope with the increasing commercial and industrial activity that we will see coming through
the port, and those are the urgent need to upgrade sections of the Princes Highway and the positive signal for the possible resumption of construction of the Maldon-Dumbarton railway link. The upgrade of the highway has been at the centre of the blame game. It is a state road. People have argued that it ought to be a road of national significance. I think the constituents just want someone to fix the existing problems. The upgrade of the highway, particularly to the Jervis Bay turn-off by having a dual carriageway, is a very urgent imperative and one that could see a greater commitment from the federal government in assisting the state to finish those links. We need it because, when we get more traffic through the port, that highway will be a very important regional, intrastate and interstate link for the movement of goods. The highway currently has an appalling crash record and there has been an unnecessary loss of life. The upgrade of the highway will serve the interests of major employers like BlueScope Steel, Manildra and the aviation industry around the town of Nowra in the adjoining electorate of Gilmore. We have been working with a local lobby group known as PHocus to try to get additional commitments to the upgrade of the highway. Of course, we are seeking the continuation of the important role that our own regional airport plays, one of the remaining regional airports that is actually owned by a local government authority. There was investment in the past from the former government in the necessary security upgrades that were needed for that airport and that will need to continue into the future.

A Liberal state government in New South Wales halted the construction of the Maldon-Dumbarton rail link about 20 years ago. We believe there is a significant economic imperative for that work to be revisited, particularly as we are hoping that up to 250,000 cars, 50,000 containers and 125,000 tonnes of break-bulk cargo will come through the port of Port Kembla. So there is a great economic imperative to revisit that project. I thank the member for Batman, in his former role as shadow minister in this area, for his very welcome commitment made in the lead-up to the federal election to provide the Port Kembla Port Corporation with $300,000 to commission a pre-feasibility study into completing the Maldon-Dumbarton freight rail line.

In conclusion, I welcome the bill and commend the Minister for Infrastructure, Transport, Regional Development and Local Government for bringing it to the House so expeditiously. I think it is a great achievement that, for the first time since Federation, we have a Labor government committed totally to the issue of nation building through having an infrastructure minister, an infrastructure department and concrete and positive plans to deal with the great backlog of infrastructure in our nation which is creating a huge capacity constraint and having a negative consequence for our potential economic performance.

Mr SECKER (Barker) (5.44 pm)—Congratulations, Mr Deputy Speaker Georganas, on your position. This is the first opportunity I have had to congratulate you on joining that wonderful club of deputy speakers.

The matter we are speaking on today is the Infrastructure Australia Bill 2008, and it is something that is actually very dear to my heart. When I was first elected, a little over nine years ago, like most members in the House I made my maiden speech. But my first speech in parliament after my maiden speech was actually about infrastructure and, in fact, my first private member’s bill was about infrastructure. One of the first standing committee reports that I instigated was about rural infrastructure. So it is actually something quite dear to me and very important to the constituents of my electorate of Barker.
Infrastructure, if you really understand it, is not just about roads. I think a lot of people would just refer to roads, but infrastructure refers not only to rail, electricity and, of course, ports and airports but also to social infrastructure—things like hospitals and services to areas. Unfortunately, in rural areas we seem to get a fairly raw deal compared to our city cousins. But, despite that, I think all these things are very important. I think this bill is more to deal with the hard infrastructure needs of this country.

Whilst I welcome a commitment from this government to the infrastructure needs of this country, it is a lie to say that the Howard government completely ignored infrastructure. In fact, even in my own electorate I can point to such things as the $205 million for the Sturt Highway—a very important road because it services the Barossa and the Riverland in my electorate and, of course, is the main road from Adelaide to Sydney. So $205 million has gone a long way towards fixing up some of the problems that we had in my electorate. Of course, it was not only for the transport needs but because of the fact that there were accidents occurring on that road due to poor infrastructure.

Of course, we have spent enormous amounts on the Dukes Highway on the South Australian side of the main road from Adelaide to Melbourne. I have to pose the question of why this government has promised to have a dual lane from Melbourne to the Victorian-South Australian border but, once the road gets to South Australia, there is no commitment to a dual lane for the Dukes Highway. I assure you that the same trucks will be using the road on both sides of the border; the same cars will be using the road on both sides of the border. So I think this is a real gap in what they are promising for what is arguably—and, I think, without too much argument—the most important road for South Australians, either for their local transport or for their interstate transport. It certainly has the highest traffic levels.

Certainly in my time we spent a lot of money on putting in passing lanes, which have helped the situation. In fact, we had a recent commitment from Bordertown to the Victorian border because of the road break-up, and we spent something like $15 million on 17 kilometres of road. It is now actually the best part of the Dukes Highway. But, of course, the state government, unlike with the rest of the Dukes Highway, have kept the speed limit at 100 kilometres an hour instead of the normal 110. And guess where they have the police with their radars trying to catch people: it is actually on this best part of the road. Their basis for reducing it from 110 to 100—which I agreed with—was the state of the road. It was not a very good road—certainly not up to scratch. But once it was fixed they still kept the speed limit at 100 kilometres an hour, and I understand they are getting lots of revenue from that road even though it is the safest part of the road and there is no real argument to retain the 100 kilometres an hour speed limit when the rest of the Dukes Highway is 110. Of course, when you go across the border, anywhere where you have dual lanes it will be 110 kilometres an hour as well. So there has been a lot of money spent on infrastructure already in my electorate.

I also think it is important to note that we were the first government since Federation that actually committed to building the Adelaide to Darwin railway line, which I think was probably the first piece of major railway line infrastructure built in Australia in the last 50 years at least, if not the last 100 years. That is a major connector between Adelaide and Darwin for the transport of a lot of our goods—especially, but not all, agricultural goods.

I am sure you, Mr Deputy Speaker Georganas, would acknowledge that the Heysen tunnels that we built leading into Adelaide on the main highway from Melbourne have been an abso-
olutely brilliant bit of engineering and infrastructure that have been so important to South Australia. So to suggest that we as a government ignored infrastructure is a great lie. I certainly will not accept that sort of statement being put out there. When you look at AusLink, which basically this new government has copied—in fact, it has met the commitments of Auslink under the AusLink program—in real money terms, it is four times more than the Snowy Mountains scheme. So this idea that we did not commit money to some great engineering feat for Australia is false. We certainly had the vision and once we could afford it under the good management of the Howard government we were able to commit these extra funds to AusLink, and I think it is something like $23 billion, which is a huge amount of money in anyone’s terms.

The greatest problems I have ever had in my electorate have been state government responsibilities. I warn the new minister about this, although I would hope that he is aware of it because he has already been to my electorate and had the state minister ask for funding for an area which is really a state government responsibility. I am always happy to get a commitment from any government for road funding in my electorate, but it is interesting that—looking at the areas that have been divided between local, state and federal governments in this country—we, through the Roads to Recovery program, more than doubled the amount of money we were giving to local governments so that they could maintain their local roads. The state governments get about half of their money from the federal government for funding of roads, and yet you see very little for that in South Australia. I cannot speak for other states, but certainly on those major highways that are a state government’s responsibility they have been found wanting. For example, the Riddoch Highway is the main connecting road from Keith to Mount Gambier. It is about 200 kilometres of a very important road for local and interstate transport—certainly intrastate transport—but the state government has hardly spent any money on that road, which is one of the major roads of South Australia.

The states will certainly see this as an opportunity for another pot of gold that they can use to blame the federal government if they are not doing their job. Frankly, I think they should be made to wear their responsibilities. Certainly for any of these roads that are state government responsibilities, they should be putting in at least 50 per cent of a greater share of funding for those roads. I hope that the minister has the sense to see the state governments for what they are. As a result of the funding that we have given them through things like the GST, through their extra receivables of land tax and so on, they are receiving in South Australia about $1 billion a year more than they would have under the old system. So they are doing pretty well. But where have we seen that with the infrastructure bills that we need in South Australia? We have had a Labor state government in South Australia for six years and, frankly, we really do not have much to show for it. That is a shame, because anyone who represents a rural area knows how important the road and the rail infrastructure are to their lives. They depend on them not only for getting to and from work but also for transporting the goods that they produce, which is the wealth of this country.

So the responsibility for infrastructure, as I said, has been spread across the three tiers of government. Indeed, the state government trading enterprises—not budget funded state government agencies; they have a very clever way of having these hollow logs—provide much of the electricity, water, urban transport and ports. Indeed, if a federal government put money
into a port, I would bet you that a state government would still like to receive all the funds from that port, even though they have not put in as much of the money as they should have.

Local government also funds and provides infrastructure, and more and more of the private sector is becoming increasingly involved in the finances. Local governments, through the Roads to Recovery program, have spent their money well—certainly in my electorate, and I have 21 local government councils in my electorate. They have spent every cent of that money on their roads and you can certainly see the difference it has made to their areas. They are very thankful for the Roads to Recovery program. I know that local government fear that they will not get that commitment from this government. So it would be good if they were finally relieved of that concern.

In 2001 the Australian Infrastructure Report Card Alliance, which is a group of major infrastructure stakeholders, prepared a report on infrastructure adequacy. I think it is noteworthy that, in the areas where the Commonwealth had whole or partial responsibility—such as airports; telecommunications; and national roads, which are the major highways around Australia—they actually ranked relatively highly. Unfortunately, areas of state government, and to a lesser extent local government, responsibility were the most in need of remediation. That was an independent infrastructure report. So to suggest that the federal government was at fault was clearly shown to be false by that report.

This is particularly true in my electorate of Barker, specifically in the rural community of Keith, which has suffered long blackouts during the past summer, for example. This problem is not just localised in Keith. I know about it because I happen to live there. Blackouts further south are causing concerns for residents towards the south-east coast as well. ETSA Utilities, which is South Australia’s electricity distributor, is to conduct an audit of power infrastructure at Keith and across south-east South Australia to investigate the long blackouts. You may think: ‘What is the problem with blackouts? We have to put up with that in cities a bit.’ But every time you have even a fraction of a second blackout when you are running a pump for irrigation, for example, your pump turns off. Unless you are awake to it or aware that you have had that momentary blackout—or even a brownout, which means that you are not getting full power—the pumps will turn off. That can ruin your whole irrigation program.

The problem is that strong economic growth has supported industrial expansion and an increased use of pumps, which means a greater demand for power. ETSA appears to have been unaware of the cumulative impact of this growth and have not addressed the resultant infrastructure requirements. The outcome is that large areas of the Tatiara in my electorate suffer low-voltage problems every day the temperature is over 35 degrees. In my electorate this has been every one of the last 10 days, and I understand it is forecast for the next seven days at least. So we are having this long-term problem whenever we have those high temperatures. They promised to audit the infrastructure to determine what improvements are needed. I make the point that, while the interrelationship between federal, state and local governments drives the need for infrastructure, when this fails, it is the state and local governments which must bear that responsibility.

The Minister for Infrastructure, Transport, Regional Development and Local Government stated in this place that the OECD ranked Australia 20th out of 25 countries when it comes to investment in public infrastructure as a proportion of national income. He attempted, unsuccessfully, to assert that Australia is underperforming when it comes to investment levels. The
fact is that expenditure in public infrastructure as a proportion of national income between countries is not a barometer of infrastructure investment. Different countries have different infrastructure needs, and so it can be expected that there will be different investment levels. Nor do such comparisons take account of the quality of investment.

I think anyone in this House who has ever been overseas will know that, by comparison, our traffic jams and our transport systems have far fewer blockages than most countries in Europe and certainly in Asia and Africa. So it is not really a valid comparison. Privatisation of former government trading enterprises and the entry of the private sector into traditionally public infrastructure such as roads, electricity generation and rail make this comparison iniquitous as well.

Infrastructure Australia is not actually an original idea. It was the Howard government that in 1996 conceived the idea of a national infrastructure council. Unfortunately, Infrastructure Australia has not been carefully thought out. Labor’s model will become a conduit for incessant demands from state Labor governments for more infrastructure funding. I have no doubt about this because I have seen this happen from my first day as a member of parliament. Whenever state governments are asked about why they do not fund certain infrastructure that is their responsibility, they say: ‘The feds don’t give us enough money.’ It is almost a daily rant by state governments. I have to say that it is not only Labor state governments that have said that sort of thing.

In light of Labor’s poor record of economic management, it is unlikely that the budget will be able to sustain that funding. There is nothing in this model that will address the fact that state Labor governments have largely shunned the transparent processes found at the federal level. There are many examples where state government assistance to industry has been long fraught with special concessions and deals. Infrastructure Australia does not address this. Instead, Labor has produced a structure that will become yet another layer in the process of assessing and responding to Australia’s infrastructure needs.

The Energy Supply Association has already questioned Infrastructure Australia’s role in the electricity and gas business. It was the Howard government’s taxation reforms in respect of financing arrangements for infrastructure that encouraged private investment through the reduction of compliance costs. These tax benefits gave greater certainty to private builders of major infrastructure. Labor has turned its back on this approach in favour of an unproven regulatory body. I wish this new body well, but Labor’s record at the state level in respect of these types of bodies is certainly not one to admire.

Infrastructure Australia fails to address issues such as how to prevent cherry-picking and how to ensure that regional and rural Australia—in particular, regional and rural South Australia—do not miss out in favour of eastern states’ or city-based white elephant projects while regional infrastructure projects are overlooked. After all, a lot of our wealth is actually produced in the regional and rural areas, and they demand and need those sorts of infrastructure fixtures, probably more so than some in the city. I do not resile from the need for infrastructure in the city; I just wish sometimes people would think about the needs of rural areas as well.

Infrastructure has been run down by Labor state governments—trains, ports, water, hospitals and education in every state—which attests to their failure to act on infrastructure and development. Infrastructure efficiencies in the electorate of Barker are by no means limited to
electricity supply. The state government has done an appalling job of managing transport and communication. Indeed, if it were not for the success of the Howard government’s AusLink and Roads to Recovery programs, things would be in a much more dire state in the electorate of Barker. Under the Howard government, the electorate of Barker received those AusLink funding commitments. Roads are important to an electorate like Barker because it is a big electorate with a lot of roads. My electorate is actually 10 per cent bigger than Tasmania, so you can imagine the number of roads there are in Barker. There is nothing in this legislation to reassure the people of Barker that their road or other infrastructure needs will be addressed or even removed.

Mr KELVIN THOMSON (Wills) (6.04 pm)—The Infrastructure Australia Bill 2008 will provide for the establishment of Infrastructure Australia and the infrastructure coordinator. It is a bill which provides the kind of leadership we need—firstly, to tackle inflation; secondly, to provide a nationally coordinated approach to tackling infrastructure bottlenecks; thirdly, to drive investment where it is needed most, fuelling the nation’s productive capacity; and, finally, to ensure that infrastructure development and investment is motivated by value, not the margin of a seat.

This is another of those bills that shows that it is Labor that is the nation-building party. The previous government had 11 years to fix bottlenecks and 11 years to put downward pressure on inflation and interest rates. They failed; they were never interested in nation-building. It took a Labor government to appoint Australia’s first federal infrastructure minister. This is a party which has a proud record as the nation-building party. It was the great Labor Prime Minister Ben Chifley who started the massive Snowy Mountains Hydro-Electric Scheme. It was the Labor Prime Minister Gough Whitlam who gave us practical infrastructure solutions like fixing sewerage and building new hospitals. He appointed Tom Uren as Minister for Urban and Regional Development. We saw then the creation of land commissions which provided for reasonably priced housing blocks and the development of new planned communities. Again, it was the Labor government of the 1990s which saw the introduction of the Better Cities program under Minister Brian Howe. That was a broad-ranging strategy of reform that included innovative housing programs and a focus on urban consolidation. So it has always been Labor that has been the nation-building party, and Labor again turns to this task.

Now what is the modern infrastructure challenge—the challenge of the 21st century? I think the big infrastructure challenge is public transport. It is clear that reducing congestion and improving the efficiency of transport networks will play an important part in the abatement of greenhouse gases and will improve urban amenity. It is also clear that climate change, with its effects on infrastructure reliability and maintenance costs, will present new infrastructure challenges—for example, from coastal and storm flooding. I noticed just yesterday that Professor Ross Garnaut’s paper on transport and urban planning included an issues paper which found that building new roads may make Australia’s greenhouse emissions from transport worse. He noted that the provision of road infrastructure may induce growth in passenger car use by reducing the competitive advantage of public transport and possibly inducing additional travel. This came at the same time as, in my own state, we had an announcement from the Victorian government that all unzoned land within Melbourne’s urban growth boundary will be released for development to accommodate the city’s booming population. Clearly, we have to ensure that moves like this do not add to the city’s reliance on cars. We certainly have
state government policy which seeks to reduce car trips and increase the use of walking, cycling and public transport.

Clearly, what we need is a focus on public transport infrastructure. Despite having one of the highest levels of urbanisation, Australia remains the only OECD nation where the federal government does not provide funds for sustainable transport infrastructure. This places Australia at an international disadvantage compared to countries such as the UK and the United States, whose national governments do invest heavily in public transport infrastructure. The federal government currently funds major upgrades of roads and I think that public transport should be eligible for similar funding, given its role in the reduction of congestion and its role in relation to greenhouse gases.

Congestion is a very serious national cost. Delays in delivery schedules and opportunity costs—the costs of congestion—have been estimated at over $20 billion annually. Something like $2½ billion of that directly impacts on Melbourne’s eastern and south-eastern suburbs. These are suburbs which are part of a prominent industrial hub and I think it is imperative that they are provided with an efficient and readily available public transport system to reduce overall traffic congestion. Again, the area of eastern and south-eastern Melbourne is responsible for hundreds of thousands of tonnes of greenhouse gas emissions. This is something which will rise exponentially in future years if congestion is left unchecked. Although it is clear that respective state governments need to be ultimately responsible for public transport services, I think there is a role for federal involvement through joint funding arrangements which will provide for appropriate accountability in project delivery.

I commend the work of the Metropolitan Transport Forum, the MTF, and the Eastern Transport Coalition, which jointly represent 26 Melbourne councils. I commend the work of Councillor Mick Van de Vreede, the Chairperson of the Eastern Transport Coalition, and also the work of Councillor Jackie Fristacky, from the Metropolitan Transport Forum. They have put forward some very useful ideas for public transport infrastructure in Melbourne, essentially under the heading of the need for the federal government to allow urban public transport to be funded under AusLink or through the creation of specific programs and, secondly, proposing that the federal government provide funding for a number of urban public transport initiatives in Melbourne’s east. As they say, it is clear that Australia is facing immense challenges to create sustainable cities for the future.

This is something which was looked at by the House of Representatives Standing Committee on Environment and Heritage, which published the report Sustainable cities back in August 2005. It looked at many of these concerns, and it recommended:

... the Australian Government significantly boost its funding commitment for public transport systems, particularly light and heavy rail, in the major cities.

It further recommended:

... the provision of Australian Government transport infrastructure funds include provision of funding specifically for sustainable public transport infrastructure for suburbs and developments on the outer fringes of our cities.

That is consistent with the federal Labor Party’s platform, which states that we need to ensure that Australians have access to adequate public transport services by providing appropriate financial assistance to state governments to improve and extend public transport systems in urban areas. It is also consistent with the kinds of initiatives which occurred during the time
of Better Cities, when there were cooperative funding arrangements struck with the Victorian
government to fund extensions to light rail and upgrades to heavy rail.

There are several projects, which have been mentioned, in the eastern metropolitan area of
Melbourne which would help reduce congestion and reduce greenhouse gas emissions. I men-
tion to the House the rail to Rowville project, which would provide a heavy rail connection
from Huntingdale station to Rowville, along the median of Wellington Road to Stud Park
Shopping Centre at Rowville. That would remove thousands of private vehicles from the road
network. That project has been proposed for the past 40 years. The City of Knox has under-
taken a prefeasibility study for that project, and a great deal of work has been done on it.

Furthermore, there is a proposal for the Belgrave and Lilydale lines beyond Ringwood to
be duplicated, with the addition of a third track in a number of locations along the Belgrave
and Lilydale lines. That would assist flexibility in train operations and improve safety and
service levels. Thirdly, there is a proposal for rail to Doncaster. There is a space along the
Eastern Freeway median to provide heavy rail from Victoria Park to Doncaster and beyond. It
should be noted that you would need to get extra capacity on the Clifton Hill group of lines
and an upgrade of the city loop as part of such a project.

There are also proposals to improve the coordination and transfer of passengers at transport
interchanges. Commuters hate changing modes, and little is done to assist with protection
from the weather or with directions and real-time information. The current network of public
transport requires greater coordination between modes, and better passenger facilities are re-
quired where train, tram and bus services meet.

These are all very important and sensible proposals. I hope that they are given considera-
tion, and I hope that both the federal and state governments work hard at meeting our public
transport infrastructure needs. I commend this piece of legislation to the House.

Mr LINDSAY (Herbert) (6.15 pm)—I have listened to the contributions this afternoon
from a number of speakers on the Infrastructure Australia Bill 2008 and I have heard all sorts
of claims and counterclaims. It is fascinating that it happens in this parliament all the time.
The member for Wills articulated a number of instances where previous Labor governments
have been infrastructure builders, but he forgot the former government’s very significant in-
frastucture programs—AusLink 1 and 2. They are programs that have been taken up by the
current Rudd government as basically a multibillion dollar nation-building exercise.

I was privileged to sit on one of the transport standing committees earlier in my parliamen-
tary life and at that stage we recognised the need to look at not only road infrastructure across
the country, which has been discussed here, but also the rail system. We also looked at the
necessity of having a national plan to fix the rail system, particularly in New South Wales or
the eastern states, and also of making multimodal arrangements. That is proceeding. The sad
part about it is that it should have been done by the state governments. The state governments
have let Australia down badly. It is such a shame that much of the state infrastructure ran
down. The federal government is now looking at taking over responsibility for the country’s
ports which, again, are the responsibility of the states. This bill is certainly welcomed. All of
us have a responsibility to make sure that we get our infrastructure right.

Mr RAMSEY (Grey) (6.18 pm)—The Infrastructure Australia Bill 2008 is very important,
and I am pleased to be able to speak in this debate. I would firstly like to tell you a bit about
the electorate of Grey and the things that are happening there at the moment. Whilst the thrust of this legislation is not unwelcome, what I am very concerned about is that Infrastructure Australia will be just another body that may not have the teeth that we need to get the job done. One of the things that I have been increasingly worried about as I look around my electorate is that federal governments have funded much of the capital works and the infrastructure that is happening and we seem to see a great lag in state governments carrying their fair share of the load. I do not want to get into state-bashing on this—it is important that we bring everyone together—but my concern is that Infrastructure Australia will not have the teeth to perform this job.

Our states are swimming in GST collections. As we are talking about infrastructure issues, I might raise the issue of fuel. Some three years ago, fuel was around $1.10 a litre and it is now $1.50 a litre—a rise of 40c. For every litre, that is an extra 3.6c that is collected in GST. There were 37,000 megalitres consumed in Australia in 2007. South Australia’s share of the GST windfall on that consumption was around $100 million. That is unbudgeted income. It comes as a windfall for the government, and still things are not happening as quickly as we would like to see. Page 5 of the Bills Digest, providing information and analysis advice on this bill, says:

It is noteworthy that the areas where the Commonwealth had whole or partial responsibility—airports, telecommunications and national roads—ranked relatively highly. Areas of state government (and to a lesser extent local government) responsibility were most in need of remediation.

In the concluding comments on page 19, the Bills Digest says:

But what the relationship will be between Infrastructure Australia and regulatory bodies—such as the Australian Energy Regulator, the Australian Energy Market Commission, and state bodies such as Essential Services Commission of South Australia—is unclear. Nor is the relationship clear between Infrastructure Australia and other Commonwealth government agencies such as Treasury, which play a role in developing policy that affects infrastructure.

Hence my concern about the weaknesses of Infrastructure Australia.

The seat of Grey promises great things to come. I spoke a little in my maiden speech about my electorate, as new members are wont to do. Grey will become the economic generator for South Australia. I call it the 92 per cent factor. Grey covers 92 per cent of South Australia; thus it stands to reason that we have 92 per cent of the resources. We will probably produce less than 92 per cent of the exports but, with the great explosion that is happening in the mining industry in South Australia at the moment, I believe that the great wealth that will underpin the South Australian economy will come from my electorate. It is my intention, as the member for Grey, to make sure that the windfalls from that increased production, the explosion that we are going to see, will be reinvested back in the electorate and be invested in infrastructure.

So what needs to be done in Grey? I have quite a long list of issues. It seems exceedingly long but, as I pointed out, as Grey covers 92 per cent of the state, we might well need more than just one-ninth of the infrastructure—as 11 seats in South Australia would indicate. The port of Thevenard, on the west coast of Eyre Peninsula, already puts through two million tonnes a year of traditional product—gypsum and wheat or grains. There are problems at the Thevenard port. It is very shallow. There is a mineral sands deposit north of Ceduna being developed by Iluka Resources of which will produce 500,000 tonnes of zircon and ilmenite a
year. The current ship limitation at Thevenard is 20,000 tonnes. To move around the world the type of commodity that we are talking we need to be able to get bigger ships in. If we cannot achieve that, we are looking at much more expensive options much further away. The next port is 400 kilometres away in Port Lincoln. So there are problems there. A report that was prepared for the Eyre Regional Development Board puts forward a $39 million solution. For the farmers out there, if we do not achieve a breakthrough soon, the shipping will dry up completely and they will be looking at freight bills of $40 to $50 a tonne.

This brings me to Port Bonython, just out of Whyalla, in the upper Spencer Gulf. We will need a new deep sea port in the upper Spencer Gulf, as there are a lot of projects swinging in the state at the moment in the mineral exploration area which will otherwise become unviable. We have four companies that have recently banded together to push for development of the port—Western Plains Resources, Centrex Metals, IMX Resources and Ironclad Mining—who estimate there will be 20 million tonnes of ore going out of northern South Australia by 2015 and, at this stage, we have no means of getting that onto a boat. There is already an iron ore loading facility at Whyalla controlled by OneSteel, but we are going to need a lot more.

We have a backlog on maintenance of state roads. The last official estimate I saw, which was some years old, was a $200 million backlog. Old worn-out roads on Yorke Peninsula and in the mid-north, roads like the Kulpara to Yorketown, and the Barrier Highway north of Burra are old bitumen tracks which you can barely drive a truck on and are ill suited to the needs of a modern export economy. We have growing communities on Yorke Peninsula. Yorke Peninsula is becoming, dare I say, the Sunshine Coast of South Australia, and we are seeing major developments, with a Greg Norman golf course going in at Moonta and major housing developments. People are moving up from Adelaide; they are taking their retirement cheques, getting out of the smoke and going to the beautiful shores of Yorke Peninsula.

Many of these communities are on antiquated water systems. Once again, there is a backlog due to underinvestment by state governments. The delivery line into Ardrossan is 75 years old and we are sitting on refusals for development there because there is just no more water. In the mid-north town of Orroroo, only 800 people live in Orroroo, but they have been living there for 90 years—I do not mean all of them individually; not everyone in Orroroo is 90 years old, I might point out. But it is a town that has been there for a long time and has proof of its existence. It is only 25 kilometres away from a pipeline, yet none has ever been built. While we know water is a big issue, there are also all these infrastructure problems.

We have a number of wind farm developments, on the Eyre Peninsula in particular, have stopped because the interconnector to Eyre Peninsula that used to bring all the power into the peninsula was designed 30 years ago—consequently we have turned around and there are now enough wind farms on the Eyre Peninsula to send the power back down the line the other way—and is no longer capable of getting away what could be generated in that part of the world. The Peninsula is particularly friendly for wind generation. So there is this backlog of infrastructure issues in Grey which needs to be addressed.

I would like to point out what has been good. In the last 10 years or so a lot of money has been spent on infrastructure, in particular on the roads under the AusLink program. We have seen major upgrades of National Highway 1 from Port Wakefield to Port Augusta. We have seen the Eyre Highway widened and upgrades to the Stuart Highway. We have seen enormous investment in local roads through the councils. If anyone should think to ask the councils
what they think of government funding, they would say, ‘Well, we don’t even bother to ask the state any more; we just go to the federal government, because we know that, under the Roads to Recovery program, if we put up a good project we have a good chance of seeing it approved.’

We had a rail upgrade, once again on the Eyre Peninsula. If something was not done, the railway was going to have to close. We were looking at growers transporting grain 250 kilometres or more by road to port, with the accompanying stress on the roads. I will just run you through the figures in the rescue package for the railway. The federal government put up $15 million under AusLink; the operator put up $11 million; ABB Grain, the main operator of the grain accumulation set-up along the railway line and on the Eyre Peninsula, put up $4½ million; a levy was placed on the growers to produce $2 million towards this $30 million upgrade; and the South Australian government matched the growers, putting up just $2 million.

The point of all this is to say yes, by all means, establish Infrastructure Australia. But what are we going to do to make sure that this body has got teeth? I seriously wonder whether Infrastructure Australia and the regulations that surround it have the power to fix any of this or whether it is just going to be another talkfest. I certainly hope they do fix it. I certainly hope they can make a difference. But will it be able to, in the end, get the state Labor governments to lift their end of the bargain and step up to the plate and deliver what they should be delivering from the windfall tax dollars that they are receiving at the moment?

Ms King (Ballarat) (6.30 pm)—I am really delighted to be following the new member for Grey, who spoke about the Infrastructure Australia Bill 2008. I congratulate him on his election to this place. I also wish to say that I think what he demonstrated in his speech is actually why this bill is so desperately needed. The connectivity issues that he raised, the issues around the tiers of government and the fact that a lot of the focus has been on road funding and not necessarily on some of the rail freight issues and port connectivity issues or on some of the broader issues around broadband are really important issues that we want Infrastructure Australia to deal with. We certainly look forward to the opposition’s support on this bill.

This bill provides for the establishment of Infrastructure Australia, whose role is to advise government, investors and owners of infrastructure concerning nationally significant infrastructure priorities; policy and regulatory reforms desirable to improve the efficient utilisation of national infrastructure networks; options to address impediments to the development and provision of efficient national infrastructure; the needs of users; and possible financing mechanisms. The bill is another example of the government delivering on its election commitments. The bill keeps our promises to concentrate our efforts on expanding the capacity of the Australian economy and to combat inflation. Infrastructure Australia will play an integral role as the conduit for a more nationally coordinated approach to infrastructure. Australia does need a strategic blueprint for our country’s infrastructure needs. Infrastructure Australia will be charged with the responsibility of auditing the adequacy of our nation’s infrastructure as its first point of business.

The review of the current state of play is needed so that we can start to really understand what is happening and how to address Australia’s national infrastructure bottlenecks. Within 12 months, by March 2009, Infrastructure Australia will develop an infrastructure priority list for presentation to the Council of Australian Governments. This list will clearly set out the partnership approach between the state and federal governments and where the priorities lie.
when it comes to national infrastructure investment. These priorities will be based on the needs of our nation and its economy.

In its dealings with COAG, Infrastructure Australia will continually monitor and report information on the progress of nationally significant infrastructure investment and also on the progress of the implementation of relevant decisions set out by COAG. Infrastructure Australia will also take part in combating our climate change future by providing advice on infrastructure policy issues that arise from this great concern. Infrastructure Australia’s other responsibilities include the following: where commissioned, they will also deal with policy, pricing and infrastructure issues that impact on infrastructure utilisation; where commissioned, they will evaluate business cases of projects, project financing options including public-private partnerships and manage the probity process; and they will also identify disincentives to investment in nationally significant infrastructure. This will be done with scope to harmonise regulations, legislation and guidelines across jurisdictions by improving the efficiency of the delivery of projects or by standardising formats in tender documents and contracts.

Australia has to be competitive in world markets. We must set clear investment priorities. Infrastructure Australia will focus investment away from the previous government’s political approach to infrastructure funding decisions and focus on a needs based infrastructure investment system—a system that will act in the national interest and tackle infrastructure bottlenecks head-on, a system that will be decided not on the basis of the margin of a seat but on a strong cost-benefit analysis.

The Australian Labor Party have always recognised the need to act in the national interest to build this nation’s infrastructure. We led the way in nation building under Ben Chifley’s watch with the beginning of the Snowy Mountain Hydro-Electric Scheme. Gough Whitlam came to power when our hospitals and sewerage systems were badly in need of mending and upgrading and got on with the job. Tom Uren, as minister for urban and regional development, saw the creation of land commissions to ensure availability of reasonably priced housing blocks and the development of new planned communities. Bob Hawke pushed forward an economic agenda that allowed us to be competitive with the rest of the world. Paul Keating completed the standardisation of rail tracks in 1995 and introduced reforms that saw innovative housing programs under the Better Cities Program.

Today the Rudd government is continuing Labor’s nation-building tradition. The bill is essential to growing the Australian economy. We have introduced the bill to the House so early in our term because Australia needs sound investment in infrastructure. We have heard example after example of where lack of strategic investment in infrastructure is contributing to capacity constraints within the Australian economy. According to CEDA, our current infrastructure backlog has been conservatively estimated at $25 billion in water, energy and land transport alone—infrastructure shortfalls that are costing us 0.8 per cent of GDP in lost production.

The Infrastructure Australia Bill is vital to growing the Australian economy. A coordinated approach to infrastructure investment, which is what this bill would deliver, is imperative for Australia’s growth. We simply cannot do without it. If you just look at what we inherited from the 11 long years of the Howard government, the former government left behind high inflation, a skills crisis and significant capacity constraints in the Australian economy. Although the Leader of the Opposition would have us believe that the economy was left in absolutely
first-rate condition, after over 20 ignored Reserve Bank warnings on inflation and recurrent investment rate rises, I think the term ‘first-rate’ is embellishing the truth a little.

We are also now picking up the pieces of a government that was never interested in nation building. No plan or policy was ever established by those opposite to coordinate its approach to infrastructure investment. The bill has received widespread support from industry groups. These groups, like the Australian Industry Group, Infrastructure Partnerships Australia, the Business Council of Australia, the Committee for Economic Development of Australia and Engineers Australia, have all called for a coordinated approach to infrastructure planning and development. Engineers Australia have maintained that for more than a decade infrastructure throughout Australia needed better coordination and long-term integrated planning.

The Business Council of Australia has called for an integrated long-term planning framework across jurisdictions for the coordinated provision of infrastructure to underpin sustained economic growth. The cries of groups like the Business Council of Australia and Engineers Australia were falling on deaf ears under the previous government. This country is in desperate need of Infrastructure Australia, a body to coordinate the provision of infrastructure and to set a long-term plan for the country’s infrastructure needs. In the past this has not existed. This is in fact the first time we have actually had a minister for infrastructure, and I congratulate my colleague the member for Grayndler on his appointment and also for his dedication and hard work on this most important and difficult portfolio area.

Infrastructure is one of the five points in Labor’s plan to lift productivity, fight inflation and sustain economic growth. Without modern and maintained infrastructure, particularly in the areas of transport, energy, communication and water assets, Australia has no strong economic future. The bill clearly provides a foundation as part of our five-point plan to provide national leadership to tackle infrastructure bottlenecks.

The coordinated approach will ensure that our view is long-term, and not one that extends only to the next election. This coordinated approach will ensure that infrastructure is approached in a structured, sustainable manner and that Australian taxpayers are getting value for money. The bill will provide the base that will enable Australia to lift investment for new infrastructure whilst making sure that our existing infrastructure is used to its maximum benefit.

While new investment in infrastructure is absolutely critical, it is essential that the benefits are maximised and not approached in a haphazard way. This bill will see a more streamlined approach to infrastructure establishment and maintenance. One of the first jobs of Infrastructure Australia is to undertake a national audit that will determine the condition and the capacity of our current nationally significant infrastructure. This is a major task of great importance and the expectation is that it will be completed within 12 months—a big job but one that this government is up to.

The audit will provide the evidence that is necessary to funnel real dollars from real investments into real projects. The audit will identify the gaps, the impediments and the bottlenecks of our current infrastructure and provide guidance as to our future demands. It is not going to be an easy task to tackle; we absolutely acknowledge that. Our nation’s major infrastructure concerns are a very complex task to fix. We cannot click our fingers and fix every one of them tomorrow, and there is a lot of money involved in the investment, but with this
Mrs MARKUS (Greenway) (6.40 pm)—I rise to speak to the government’s Infrastructure Australia Bill 2008, a bill which will establish a statutory authority known as Infrastructure Australia. While I do not oppose all the points in the bill, I call on the Australian government to do several things: firstly, to lift restrictions upon Infrastructure Australia undertaking a review of its own volition; secondly, to ensure that the minister’s power to give new functions to Infrastructure Australia are subject to primary disallowance; and, thirdly, to ensure that the minister seeks advice from Infrastructure Australia before appointing the Infrastructure Coordinator.

The coalition government, through strong economic management, were able to invest in the upgrading of Australia’s infrastructure. The coalition reformed previous ad hoc approaches put in place by the then Labor government and developed the AusLink program—a program which invested a total of $38 billion over a 10-year period; a program which identified corridors of national importance and developed long-term plans; a program which included Roads to Recovery, which funded over 25,000 local council roads and benefited my electorate and every other electorate in the country. We also reintroduced the Black Spot Program, which had been axed by the previous Labor government—a program which aims at improving road safety and, on average, upgrades 300 black spots on our roads each year. These have been extremely successful programs.

The question I put is: why does the government feel the need to create another bureaucratic layer when the current programs are successful and deliver positive outcomes? Why add another layer of red tape and bureaucracy? The cost to the taxpayer of this layer of bureaucracy will be $20 million over four years. We already have the Council of Australian Governments and the reports they have committed to providing every five years. I note the first of those reports should already be sitting on the minister’s desk. Why do we need another level of bureaucracy when we have AusLink under the reporting mechanism through COAG? Given that these reports provide information on rail, roads, airports, seaports, energy and water for each state, why does the Labor government need to create a new layer? Does it simply not trust the information it has from its own state Labor governments?

I have seven roads in my electorate which urgently need upgrading. These roads were identified by the Hawkesbury City Council and local residents in my community. Unlike the Rudd Labor government, the then coalition government did not need a statutory authority, at a cost of $20 million, to advise them that these roads needed upgrading. I would like to draw the attention of the House and the government to the following roads in my electorate that need upgrading. The roads include Freemans Reach Road, which carries approximately 5,500 vehicles per day and needs to be rehabilitated at a cost of $305,000. Comleroy Road, at Kurrajong, needs a portion of its road shoulder resealed at a cost of $585,000. Three kilometres of work needs to be done between Old Bells Line of Road and East Kurrajong Road. Terrace Road, North Richmond, needs to have a portion of its road shoulder sealed at a cost of $741,000. The 3.7 kilometres of work would start from the end of the factories at North Richmond and end at Wire Lane.

There is Grose Vale Road, from North Richmond to Grose Vale, a portion of which needs to be resealed at a cost of $995,000. The 5.1 kilometre roadworks would start at the entrance
of the Sydney Water depot in North Richmond and would finish at Grose Wold Road. Scheyville Road, Oakville, needs a portion of the road sealed at a cost of $836,500 to provide adequate carriageway width. This particular roadwork would start at Old Stock Route Road and finish 4.29 kilometres down the road at Dunns Road. Old East Kurrajong Road over Howes Creek needs the approach road sealed by the construction of multicell box culverts at a cost of $425,000. This would provide flood-free access based on a one in 20 year flood occurrence. Finally, Old Stock Route Road, Brennans Dam Road and Commercial Road, Vineyard, need construction, again, of multicell box culverts and adjacent roadworks at a cost of $975,900. This project would, again, provide flood-free access based on a one in 20 year flood occurrence. The total cost for the upgrade of these roads in my community is approximately $5 million. I would like to point out that the then coalition government, late last year, acknowledged these roads and committed to upgrading them. I call on the Australian government to honour this commitment and demonstrate their care and concern for the people of Greenway by funding these roads.

I would like to advise the House that today I received communication from my local Rural Fire Service advising that another road needs urgent attention: the intersection of Boundary Road and Old Pitt Town Road, which was, tragically, the site of a major vehicle accident only 11 days ago which resulted in the loss of a life. Last week there was another accident at the same intersection, involving a mother and her daughter. Fortunately, they are okay. This is, again, another road in my electorate which needs a safety upgrade, and I am calling on the Australian government to commit to funding these urgent needs.

The response to Infrastructure Australia has been mixed, and concerns have been raised regarding how Infrastructure Australia will perform the functions it has been allocated. I am concerned about the lack of transparency. The minister will be able to give direction to Infrastructure Australia without being accountable directly to the parliament. What we will have is an annual report, and within that, again, there will be no transparency or accountability to the parliament.

A report by the Australian Infrastructure Report Card Alliance in 2001—the group is a major infrastructure stakeholder which prepares a report on infrastructure adequacy—gave rankings of: (a) very good, (b) good, (c) adequate, (d) poor and (e) inadequate. In this report, it is noteworthy that the areas where the Commonwealth had full or partial responsibility—namely, airports, telecommunications and national roads—ranked relatively highly but areas of state government and, to a lesser extent, local government responsibility were most in need of remediation. I think that while this bill focuses on another layer of bureaucracy it may fail to look at certain inadequacies of the state Labor governments and their management of infrastructure, particularly where they have been responsible.

We will see the Rudd Labor government, over this term, talk about the delivery of infrastructure, but I would like to remind the House that this is, indeed, possible because the coalition government, having managed the economy so well, has placed in the hands of the new government a significant surplus, which will reach an estimated $20 billion, and has also put in place restructuring and reform in the form of AusLink, which has provided funding infrastructure up until 2013-14. I recommend and encourage strongly that the Australian government look at the three points that I initially made in speaking to the House today—that is, again, to lift the restrictions upon Infrastructure Australia to undertake reviews of its own vo-
lition, to ensure that the minister’s power to give new functions to Infrastructure Australia is subject to primary disallowance and to ensure that the minister seeks advice from Infrastructure Australia before appointing the Infrastructure Coordinator.

Mr HAYES (Werriwa) (6.50 pm)—The Infrastructure Australia Bill 2008 demonstrates Labor’s commitment to being the party dedicated to building a nation. Frankly, all members should be aware that the ongoing development of the nation’s infrastructure is critical in meeting the challenges of the 21st century. It is vital for meeting just about every economic measure that contributes to our nation’s wellbeing; therefore, the development of Infrastructure Australia has been one of this government’s highest priorities. It is one that the government said would be achieved—that a new organisation, Infrastructure Australia, would be set up—within the first 100 days of being in office. This approach puts the focus on the development of infrastructure and how critical that is in addressing the nation’s economic performance. It is also important to project that into the future to work out precisely what should be the priorities for infrastructure so that it can not only cope with the changing demands on the country but also advance its productivity.

A continuing challenge for the government will be its role in ensuring that there is a sustainable, yet competitive approach to the nation’s infrastructure markets, in setting clear and concise priorities in investment opportunities and in ensuring that appropriate regulation is maintained. The Infrastructure Australia Bill 2008 before the House is all about raising investment levels in the nation’s physical infrastructure and, simultaneously, getting the maximum from our existing assets.

I will quickly outline the provisions in the bill and why they are significant. The reason is simply that the nation needs leadership. The nation needs to have a critical examination of its economic requirements for the provision of infrastructure in the future. It needs to harness those measures with a view to ensuring that sufficient priority is given to Commonwealth assets, in conjunction with state and territory governments assets. Infrastructure Australia will be required to audit the adequacy of the nation’s infrastructure and, within 12 months, to develop an infrastructure priority list based on that audit, which will then be considered by COAG. I do not think an argument has ever been put that the provision of infrastructure is in the sole domain of any one sphere of government in this country. However, it is essential that we have an appropriate and agreed prioritisation as well as the timely positioning of infrastructure so as to cope with the growth within our country and that provides an economic platform to develop and enhance our productivity level.

The government has agreed that the role of Infrastructure Australia will be as an adviser to the government, investors and owners of infrastructure about infrastructure priorities of national significance. It will provide policy and regulatory reforms to improve the efficient utilisation of national infrastructure networks as well as options to address impediments to the development and provision of efficient national infrastructure. It will consider the needs of the various users and possible financing mechanisms, which is all-important. Further, when referring to infrastructure of national significance, the bill specifically recognises transport, energy, communications and water as areas in which further investment is vital to develop and improve Australia’s national productivity.

This is a critical piece of legislation in establishing this, and I am happy that speakers on all sides of the parliament are supporting this bill, because they should. It is clearly the first con-
crete building block that has been laid in place for developing our infrastructure for quite a long time. In the Australian Labor Party, as you no doubt appreciate, we are not foreign to this concept of nation building. It goes back to the Chifley government, which undertook the construction of the Snowy Mountains hydroelectric scheme, and the Whitlam government, which provided practical infrastructure solutions such as the nation’s hospitals and, more importantly for me in Werriwa, ensured the provision of sewerage to Campbelltown and Liverpool. That goes back to the sixties and is something that is still talked about by the older generation out there who look at the approaches that were adopted by the Labor government of the time. More recently, the Hawke and Keating governments opened up our economy and made us more competitive. Under Keating the Better Cities Program was introduced. It saw the broad-ranging strategy for reform that included innovative housing programs and the renewed focus on urban consolidation. That is not a bad record for what Labor has done in terms of community building and nation building when it was in power.

I would like to briefly contrast that with what occurred in the past 11 years of the Howard government. The Howard government had a unique opportunity to provide growth within the economy and to invest in nation building and the provision of infrastructure. The Howard government wasted 11½ years of office and of Australia’s need to become internationally competitive through the provision of infrastructure. As a consequence, the provision of our infrastructure is all the poorer. It is clear that the former government was never really interested in nation building. Indeed, it was upon the election of the Rudd government that the important position of federal infrastructure minister was first created. There has never been that position in the past and no indication that that would occur, notwithstanding how glorious and rosy the members opposite would like to say the economy is that they have bequeathed to the country. That same economy, which I would remind you, Madam Acting Deputy Speaker Saffin, has now undergone 10 consecutive interest rate rises, and now has the threat of inflation as public enemy No. 1. That has left a considerable amount of work for Labor to do to harness economic growth in those circumstances.

The Howard government had 11½ years to fix the bottlenecks and put downward pressure on inflation and interest rates but failed dismally to do so. What did they actually seek to do? They thought up the Regional Partnerships program. It was not a bad program, as my colleague the member for Stirling has indicated, if you had a government seat that was going to be assessed for a program. We heard in question time only recently that many of these regional partnerships grants were granted on one day’s application. In the Central Coast, Tumbi Creek was cleared, and yet it did not need to be cleared. It actually flooded, but they still got their money for it. And today we heard about a cheese factory in the electorate of Indi that did not even have to produce anything. It is still getting its regional partnerships grant and it has closed its doors. That is the difference in approach in terms of a vision of economic drivers in our economy. What was being looked at in those days was simply what it takes to do or say to buy an election win. That is all it was about.

Mr Keenan—Whatever it takes—that was your line, wasn’t it?

Mr HAYES—It is on the scoreboard; you can read that. You can see that there is a difference. Quite frankly, Labor can make fun of the opposition on this because they are worthy of having fun poked at them. But realistically this is the difference between a government which is addressing the long-term needs of the country—not only to next year or to the next election.
This government is looking at the country’s needs over the next decade and to the provision of infrastructure necessary to be able to drive and sustain that competitive economy into the future. This is what is necessary if we are to have a serious economic future. This is our competitive footing, and it is going to take a Labor government to deliver that. I support the bill.

Mrs HULL (Riverina) (7.01 pm)—I rise to speak about the Infrastructure Australia Bill 2008. While I do not oppose the bill, I am a bit concerned about the involvement of state governments who have a history, particularly in my state of New South Wales, of gross mismanagement of most infrastructure projects. It does not matter whether it is road or rail—although the gross mismanagement in rail is that they shut it down. I suppose that is infrastructure building at its best—when you look around and say: ‘Okay, what savings can I make so that I can pour my money into a city area, into a cross-city tunnel or into some major infrastructure thing that has gone wrong in the city? I think I’ll cut something from the country.’ That has typically been the attitude of the New South Wales government.

I am here to raise the issue of Infrastructure Australia and its involvement with the states. I understand that Infrastructure Australia will reside in the Department of Infrastructure, Transport, Regional Development and Local Government. It is regional development that I want to discuss. Most people would think that the discussion around this bill would be primarily centred on roads and associated heavy vehicle industry, rail or Auslink proposals—all of those kinds of issues. But I would like to draw the House’s attention to a few issues that I am having great difficulty with. It is not the first time, and it definitely will not be the last time, that you hear me rise in the parliament to raise this issue. I cite an opinion piece in my local paper, the *Daily Advertiser*, from 12 March 2008. The opinion piece says that the health sector needs new direction, and it is quite right. The *Daily Advertiser* and the community of Wagga Wagga have been absolutely scathing of state governments—I have to say, both coalition and Labor—which have been grossly neglectful of them and have been unable to provide Wagga Wagga with a base hospital. This has been going on for years—in fact, 30 years of promises made and promises broken by every form of government. We are still in the same situation. We do need a new direction. We must have a new direction in health.

The opinion piece talks about discussions that I had with the previous Minister for Health and Ageing. I approached him many times about making the Riverina a pilot project whereby the Commonwealth would take over the delivery of health to see exactly how it could run it in its entirety. I would really urge the current Minister for Health and Ageing to consider a pilot project, most appropriately in the Riverina, so that we could finally get some action on the Wagga Wagga Base Hospital. At this hospital not only are men and women sharing bathrooms but sinks are falling off walls, physicians are unable to attend, surgeons are unable to operate and operating theatres are being shut down because water is pumping through the roof and filling them up with water—near electrical equipment—so all surgery is postponed. It is a saga of sagas; it just goes on and on. And now we find that white ants are eating the kids ward out entirely. This was revealed in the *Daily Advertiser* on 11 March. I thought I could never be shocked by what is happening in the Wagga Wagga Base Hospital—that there could not be any more said about the Wagga Wagga Base Hospital that has not already been identified. But sadly there is. Sadly, staff discovered the white ants eating away the window frames of the children’s ward. The article in the *Daily Advertiser* quotes parents and doctors saying that the infestation is just one indication of the ward’s poor condition.
The paediatrician who has worked in the children’s ward is quoted as saying that the ward had been in a progressively poor state for years, that the biggest issue was cross-infection, that the ward was not safe from infection, that 12 children were being actively treated for cancer in this ward, that the treatment suppressed their immunity and that with poor cross-infection control they are most certainly at risk. The doctor went on to say that out of the 10 standards of the national health department the ward failed eight of them. They only had two inadequate isolation rooms, where contagious children were separated by only a curtain, and the ward was also often overcrowded and crammed, with few facilities for parents to stay the night with their dreadfully sick children. It is a disgrace. It is an infrastructure nightmare that should have been addressed by the state government over the years. I admit that I took it to the former Minister for Health and Ageing when the Commonwealth intervened on the Mersey Hospital. I thought that that opened up my case, allowing me to go to the minister to intervene in the Wagga Wagga Base Hospital. It is atrocious. Stories of the atrocious conditions that the staff—fabulous staff—are forced to work in are in the paper day after day.

I will be raising the issue of infrastructure with respect to the Wagga Wagga Base Hospital on a consistent basis because I believe that the Minister for Health would like to resolve this ongoing issue and I am hopeful that she can use her power to step in. She has already indicated that the reason that it would be better to have a Labor federal government is that the blame game would be stopped between the states and the Commonwealth and the enormous health problem that exists, particularly in New South Wales, would be more easily resolved by having the Labor Party at Commonwealth and state levels. I agree with her. I think that she has the tools and the ability. She is a very competent minister and I believe wholeheartedly that if she really puts her mind to it, she will be able to resolve this ongoing issue for the Riverina people. It is the only regional referral hospital. All the other hospitals were shut down as base hospitals. There is only one base hospital for referral. The difference is that at Wagga Wagga Base Hospital, a two-bed ward was made into a four-bed ward and a four-bed ward was made into an eight-bed ward. No additional staff, services or facilities were installed. It is an absolutely disgusting disgrace and staff should not have to work in that area.

Communications infrastructure in my electorate is another major topic. It has been an ongoing issue for so long. I was surprised to see, with these major plans for the rollout of broadband, that we are going to raid the rural infrastructure fund—the money put away to ensure that rural telecommunications and communications were always kept up to speed. The interest earned from the Future Fund was to be used to ensure rural and regional people would have access to services and communications capacity, which of course they are entitled to. However, I see in the paper—and that is generally how I find things out now:

The federal government will not award a tender to build its planned national high-speed broadband network until September at the earliest, several months later than it hoped.

I am quoting from the Daily Advertiser of 12 March 2008. There is an obvious problem. The minister ‘had hoped to award the tender in June to build the $8 billion fibre-to-the-node network’. We all know that $8 billion for fibre to the node means fibre to the node in the city, and fibre to the node to houses in rural and regional Australia is not included in that money. Not only has it not been taking place; it is going to be put off for quite a while yet. That is sad because rural and regional people require access to reliable, adequate, fast and significant
broadband services. Along with the Deputy Speaker, the member for Maranoa, I have always been pushing the barrow for rural and regional communications.

I come to a concern that I have in West Wyalong, which is in the Bland shire in my electorate. Again we have this combination of states and Commonwealth. Within Infrastructure Australia the states are going to have a fairly significant role in this. The Bland shire has a major problem; it is almost unthinkable. I wrote to the minister on 4 December about an issue of road classification confronting the Bland shire, after having had it brought to my attention on that day. I first congratulated the minister, as he should be congratulated, of course. I am sure that he will do a great job in resolving many of these state infrastructure problems, particularly through the Infrastructure Australia Bill. I explained to the minister that the Newell Highway runs through the main street of West Wyalong like a very narrow snake and that it is unsuitable for B-double truck movements. Bland Shire Council established a bypass for heavy vehicles to take B-doubles out of the CBD and an appropriate local road was gazetted as the B-double route.

There is a bit of a problem with this. Council have found that there are two major concerns with the bypass road. Firstly, there is a cost involved in maintaining a road to B-double standards. I note that local government is also involved in the Department of Infrastructure, Transport, Regional Development and Local Government, in which Infrastructure Australia will sit. We have cost shifted onto local government. Bland Shire Council have not been able to upgrade the road so that B-doubles are out of the CBD, and they have found it very difficult to get the attention of the state government. They sought to reclassify the five-kilometre route as a regional road, which would be funded by the New South Wales RTA. As yet, council have not had any results from the road reclassification panel.

Secondly—and we think more importantly—there was an AusLink application. It was rejected because the Newell Highway has been classified as a higher mass limit route. The local roads are not rated to carry the increased loads that are now permitted on heavy vehicle combinations without permits applicable to specific companies on specific routes. In West Wyalong, the council are now presented with the anomaly of the Newell Highway heavy vehicle bypass forcing the trucks with a high mass limit accreditation onto a local road, and now they get fined for being on the local road. They are having a major difficulty there.

It is a two-tiered issue. One issue is that they desperately need funding to upgrade their bypass in order that it can meet the higher mass limit route, and obviously they need an expeditious reclassification of the road from local to regional status as well. That would enable funds for upgrading to come from a state allocation. Yet, when I brought this to the minister’s attention, he clearly said, ‘As you would be aware, the New South Wales government, through the Roads and Traffic Authority and local government, is responsible for the operation and the management of New South Wales regional roads.’ I am aware of that, and of course the minister is right.

But, if Infrastructure Australia is to genuinely work for all people of Australia, including rural and regional people, and it sits within the minister’s portfolio—and Infrastructure, Transport, Regional Development and Local Government is a fairly large portfolio—and if the members of the panel must have expertise, one in local government, I am hopeful that surely the minister will see that common sense prevails on the establishment of Infrastructure Australia. In establishing this body, surely the minister can ensure that common sense prevails
over this ridiculous situation that Bland Shire Council find themselves in. They are neither here nor there. They have an anomaly, with a road designed to get the vehicles out, where the vehicles can now be fined because it is not a higher mass limits road. They desperately need a road reclassification. I am hopeful that the minister can help us out with that.

Again I see some of the issues relating to the trucking industry when we look at the imposition that we now have on working truck owners and operators and their families. They have a whole new position where registration fees can in some cases go up 227 per cent. As from 2009, I think there is an additional levy of 1.37c a litre—I might be wrong on that figure; it is off the top of my head. Already the industry has been buckling under high fuel prices. It has not passed them on as much as it should and could have to the consumer. At the same time, we have the ACCC inquiry going on into the high cost of groceries and food, and then we impose a tax on the largest carrier. Yet there is no doubt that, whether we like it or not, rail is never going to be able to replace all of the road freight, nor should it. Of course, grocery prices will have to rise as the new tax increases on truckies are passed on to consumers. There is no choice.

So I do not understand how we can be holding an enquiry that is asking questions about why things are so expensive in the grocery and retail sector while we are imposing another set of conditions that the Liberal government fought the states on and won. We fought and won against the states. The states wanted to impose this before and we fought against it. To his credit, Warren Truss, who was then the minister, was able to defeat it so that the cost would not get passed on to the consumer and so that the road transport operators would have a fair go—because without them the future for Australia and Australian consumers is incredibly bleak.

So I raise these issues for your attention. They are just a few of many issues that will come to the fore over a period of time, and I really do look forward to the success of this new unit in delivering greater benefits and greater accountability from the states.

Ms SAFFIN (Page) (7.21 pm)—I rise to speak in support of the Infrastructure Australia Bill 2008. This bill clearly is an example of national leadership, nation-building, economic reform and tackling inflation through enhanced productivity.

Let me turn to the bill. The bill sets out the plan to establish Infrastructure Australia—the body that will advise the government—and the Infrastructure Coordinator, to support the operation of Infrastructure Australia. It also sets out the composition and functions of Infrastructure Australia. I note with commendation that Sir Rod Eddington was appointed to the chair of Infrastructure Australia, receiving widespread community approval. Infrastructure Australia will have 12 members including the chair, and I am sure it will comprise some women and men of note who will be able to contribute to the auditing and mapping of national infrastructure requirements.

We all know that enhancing national productivity is a necessary component in the fight to tackle inflation. It is a fight that we are committed to. Infrastructure Australia will not be about our wish lists—and we all have wish lists for our seats; we know what we want in terms of infrastructure—but it will be about looking at infrastructure right across Australia. It will look at the national infrastructure we need to have in place to support and strengthen the economy and tackle productivity. It will also look at rural and regional infrastructure requirements.
The bill goes on to define nationally significant infrastructure to include transport infrastructure, energy infrastructure, communications infrastructure and water infrastructure—the four key areas ‘in which investment or further investment will materially improve national productivity’, which is a key focus of Infrastructure Australia. The primary function of Infrastructure Australia is most telling:

Infrastructure Australia has the primary function of providing advice to the Minister, Commonwealth, State, Territory and local governments, investors in infrastructure and owners of infrastructure on matters relating to infrastructure, including in relation to the following:

(a) Australia’s current and future needs and priorities relating to nationally significant infrastructure ...

But I go back to the primary function, which involves the Commonwealth, state, territory and local governments, because that is what it is about—it is about cooperation. Cooperation is the hallmark of the Rudd Labor government. If we do not have cooperation across all those levels of government and in this case the private sector—because we have to work together—then we will not be able to do what we need to do, which is to map, audit and prepare our national infrastructure to provide us with the basic framework that we need to be competitive and strong and to make our communities sustainable.

One of the primary functions of Infrastructure Australia is to advise—it is not to tell us what to do; it is to advise. Infrastructure Australia, supported by the coordinator, will have the ability and the space to be able to do that. They will be able to do the assessment and the research and provide the evidence that we need to make the decisions about what infrastructure we will set up. The fact that the Commonwealth government has a minister for infrastructure and a department for infrastructure—the first since Federation—demonstrates the Rudd Labor government’s bona fides on the matter of Australia’s infrastructure needs. It is a first, and long, long overdue. The fact that the previous coalition government did not have a minister for infrastructure and a department for infrastructure demonstrates their failure to plan and develop infrastructure required to build and sustain a modern framework to support our workplace, strengthen our economy and sustain our communities. The fact that the previous coalition government were missing in action over regional and rural infrastructure needs throughout 11 years of government demonstrates how they had completely lost touch with the communities in rural and regional Australia and with what their needs were.

The people in Page I represent live in an area that has no public transport to speak of and a roads network that contains the Pacific Highway—which is not just a highway; it is our local road. It is a road that carries an increasing number of B-doubles and all other forms of traffic. In Page, there is an expanding population of sea changers, an increasing number of aged people requiring different forms of transport, particularly for their medical needs, and an increasing movement of goods within the region. Page stretches up to the Queensland border, where we also have movements of traffic through an inland route coming down the Summerland Way. That is an area that needs to be factored in and looked at when we are talking and thinking about infrastructure. We also have lots of young people wanting to access educational services. All of this activity requires transport. I submit that water is essential, communications is essential, energy infrastructure is essential and transport is vital for all the communities to work and be sustainable.

In terms of transport, many in the region of the Northern Rivers want us to look at trains. They want more buses or they want commuter trains to travel on shorter routes. And who can
disagree, particularly when we are faced with the challenges of climate change? We are told that trains are far more friendly in terms of climate change, but there are costs. We have to determine people flows and how much it will cost—and that is in all areas, not just trains. The member for Riverina talked about trains and how the New South Wales government had cut train services. The cuts to train services have been going on since the sixties. I agree that there have been such cuts, but it is an old problem and it is one that has not been addressed. Where I live, the train services have been wound back since the sixties. The cuts reached their zenith under a coalition government. The motorail was taken off and the timetabling was changed. It became very unfriendly to country people. People also talk about the ‘missing link’ up my way and how we should have the ‘missing link’. Since 1984 there have been six inquiries done on the ‘missing link’—and the ‘missing link’ is still the missing link. That says something about how all governments have looked at the issue of trains and the ‘missing link’. In fact, when Premier Greiner was leading the New South Wales government, another report was done on the ‘missing link’. It never saw the light of day, but we did manage to get a look at it. It was just one of those issues that nobody would touch.

Good infrastructure is the difference. We need good infrastructure. It is actually the difference between a developing and a developed nation. We are a developed nation, but the OECD has said in terms of infrastructure we are No. 20 out of 25 countries on that list. That does not say a lot about the state of our infrastructure. Infrastructure is the stuff that makes our communities work. It is running water. It is sanitation. It is the power or energy system—that is, generally electricity but also changing forms of energy in keeping with environmental and climate change concerns. It is roads. It is bridges. It is schools. It is hospitals. It is also telecommunications, high-speed internet and download capacity. As the Minister for Infrastructure, Transport, Regional Development and Local Government said in his address to the National Press Club on 20 February:

Infrastructure is the basic framework or underlying foundation of an organisation or a system.

If we do not get that right, we do not get anything right. That is why it has been necessary to have a minister for infrastructure, to have an infrastructure department and to set up Infrastructure Australia. If we do not get the basics right, it is hard to get anything else right.

Indeed it is, but there has been neglect. If we neglect that then we neglect our economy. Our economy relies on sound and modern infrastructure. The previous coalition government, who trumpeted their economic credentials, failed miserably here. They not only did not identify critical infrastructure needs but did not take infrastructure seriously as an issue, which is inherent to maintaining a strong economy and to tacking inflation. This is despite the 20 warnings from the Reserve Bank regarding inflation that they received. The Rudd Labor government know that to tackle inflation we have to address infrastructure shortfalls. This is one part of our five-point plan to do that. The Infrastructure Australia Bill is a central part of the government’s plan to combat inflation. It will drive investment where it is needed most, fuelling the nation’s productivity capacity, not inflation. Under the Rudd government, infrastructure development investment will be motivated by need and not by the margin of the seat. I commend the bill to the House.

Debate (on motion by Mr Keenan) adjourned.

Main Committee adjourned at 7.33 pm