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SITTING DAYS—2008

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

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FORTY-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
## Members of the House of Representatives

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

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
Deputy Prime Minister,
Minister for Education and
Minister for Employment and Workplace Relations and
Minister for Social Inclusion
Treasurer
Minister for Immigration and Citizenship and Leader of the
Government in the Senate
Special Minister of State,
Cabinet Secretary and
Vice President of the Executive Council
Minister for Trade
Minister for Foreign Affairs
Minister for Defence
Minister for Health and Ageing
Minister for Families, Housing, Community Services and
Indigenous Affairs
Minister for Finance and Deregulation
Minister for Infrastructure, Transport and Regional Devel-
opment and Local Government and Leader of the House
Minister for Broadband, Communications and the Digital
Economy and Deputy Leader of the Government in the
Senate
Minister for Innovation, Industry, Science and Research
Minister for Climate Change and Water
Minister for Environment, Heritage and the Arts
Attorney-General
Minister for Human Services and Manager of Government
Business in the Senate
Minister for Agriculture, Fisheries and Forestry
Minister for Resources and Energy and
Minister for Tourism

Hon. Kevin Rudd, MP
Hon. Julia Gillard, MP
Hon. Wayne Swan MP
Senator Hon. Chris Evans
Senator Hon. John Faulkner
Hon. Simon Crean MP
Hon. Stephen Smith MP
Hon. Joel Fitzgibbon MP
Hon. Nicola Roxon MP
Hon. Jenny Macklin MP
Hon. Lindsay Tanner MP
Hon. Anthony Albanese MP
Senator Hon. Stephen Conroy
Senator Hon. Kim Carr
Senator Hon. Penny Wong
Hon. Peter Garrett AM, MP
Hon. Robert McClelland MP
Senator Hon. Joe Ludwig
Hon. Tony Burke MP
Hon. Martin Ferguson MP
Minister for Home Affairs
Hon. Bob Debus

Assistant Treasurer and
Minister for Competition Policy and Consumer Affairs
Hon. Chris Bowen MP

 Ministers for Veterans’ Affairs
Hon. Alan Griffin MP

Minister for Housing and
Minister for the Status of Women
Hon. Tanya Plibersek MP

Minister for Employment Participation
Hon. Brendan O’Connor MP

Minister for Defence Science and Personnel
Hon. Warren Snowdon MP

Minister for Small Business, Independent Contractors and the Service Economy and
Minister Assisting the Finance Minister on Deregulation
Hon. Craig Emerson MP

Minister for Superannuation and Corporate Governance
Senator Hon. Nick Sherry

Minister for Ageing
Hon. Justine Elliot MP

Minister for Youth and
Hon. Kate Ellis MP

Minister for Sport
Hon. Maxine McKew MP

Parliamentary Secretary for Early Childhood Education and Childcare
Hon. Greg Combet MP

Parliamentary Secretary for Defence Procurement
Hon. Mike Kelly MP

Parliamentary Secretary for Defence Support
Hon. Gary Gray MP

Parliamentary Secretary for Regional Development and Northern Australia
Hon. Bill Shorten MP

Parliamentary Secretary for Disabilities and Children’s Services
Hon. Bob McMullan MP

Parliamentary Secretary for International Development Assistance
Hon. Duncan Kerr MP

Parliamentary Secretary for Pacific Island Affairs
Hon. Anthony Byrne MP

Parliamentary Secretary to the Prime Minister
Senator Hon. Ursula Stephens

Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion
Hon. John Murphy MP

Parliamentary Secretary to the Minister for Trade
Senator Hon. Jan McLucas

Parliamentary Secretary to the Minister for Health and Ageing
Hon. Laurie Ferguson MP

Parliamentary Secretary for Multicultural Affairs and Settlement Services
SHADOW MINISTRY

Leader of the Opposition
Deputy Leader of the Opposition, Shadow Minister for Employment, Business and Workplace Relations
Leader of the Nationals; Shadow Minister for Infrastructure and Transport and Local Government
Leader of the Opposition in the Senate and Shadow Minister for Defence
Deputy Leader of the Opposition in the Senate and Shadow Minister for Innovation, Industry, Science and Research
Shadow Treasurer
Shadow Minister for Health and Ageing and Leader of Opposition Business in the House
Shadow Minister for Foreign Affairs
Shadow Minister for Trade
Shadow Minister for Families, Community Services, Indigenous Affairs and the Voluntary Sector
Shadow Minister for Agriculture, Fisheries and Forestry
Shadow Minister for Human Services
Shadow Minister for Education, Apprenticeships and Training
Shadow Minister for Climate Change, Environment and Urban Water
Shadow Minister for Finance, Competition Policy and De-regulation
Shadow Minister for Immigration and Citizenship and Manager of Opposition Business in the Senate
Shadow Minister for Broadband, Communications and the Digital Economy
Shadow Attorney-General
Shadow Minister for Resources and Energy, Tourism
Shadow Minister for Regional Development, Water Security
Shadow Minister for Justice, Border Protection and Assisting Shadow Minister for Immigration and Citizenship
Shadow Special Minister of State
Shadow Minister for Small Business, the Service Economy and Tourism
Shadow Minister for Environment, Heritage, the Arts and Indigenous Affairs
Shadow Assistant Treasurer, Shadow Minister for Superannuation and Corporate Governance
Shadow Minister for Ageing
Shadow Minister for Defence Science, Personnel and Assisting Shadow Minister for Defence
Shadow Minister for Business Development, Independent Contractors and Consumer Affairs, Deputy Leader of Opposition Business in the House
Shadow Minister for Veterans’ Affairs
Shadow Minister for Employment Participation and Apprenticeships and Training

Hon. Brendan Nelson MP
Hon. Julie Bishop MP
Hon. Warren Truss MP
Senator Hon. Nick Minchin
Senator Hon. Eric Abetz
Hon. Malcolm Turnbull MP
Hon. Joe Hockey MP
Hon. Andrew Robb MP
Hon. Ian Macfarlane MP
Hon. Tony Abbott MP
Senator Hon. Nigel Scullion
Senator Hon. Helen Coonan
Hon. Tony Smith MP
Hon. Greg Hunt MP
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Senator Hon. Chris Ellison
Hon. Bruce Billson MP
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Senator Hon. David Johnston
Hon. John Cobb MP
Hon. Chris Pyne, MP
Senator Hon. Michael Ronaldson
Steven Ciobo MP
Hon. Sharman Stone MP
Michael Keenan MP
Margaret May MP
Hon. Bob Baldwin MP
Luke Hartsuyker MP
Hon. Bronwyn Bishop MP
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
Don Randall MP
Opposition and Shadow Cabinet Secretary

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

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
Barry Haase MP
and Transport
John Forrest MP

Shadow Parliamentary Secretary for Trade
Louise Markus MP

Shadow Parliamentary Secretary for Immigration and Citizen-
Sophie Mirabella MP
ship
Jo Gash MP

Shadow Parliamentary Secretary for Local Government
Mark Coulton MP

Shadow Parliamentary Secretary for Tourism
Senator Marise Payne

Shadow Parliamentary Secretary for Ageing and the Volun-
Senator Cory Bernardi
tary Sector

Shadow Parliamentary Secretary for Foreign Affairs
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Thursday, 13 March 2008

The SPEAKER (Mr Harry Jenkins) took the chair at 9 am and read prayers.

INTERSTATE ROAD TRANSPORT CHARGE AMENDMENT BILL 2008

First Reading

Bill and explanatory memorandum presented by Mr Albanese.

Bill read a first time.

Second Reading

Mr ALBANESE (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (9.01 am)—I move:

That this bill be now read a second time.

The Interstate Road Transport Charge Amendment Bill 2008 enables nationally agreed new heavy vehicle registration charges to be applied to heavy vehicles registered under the Australian government’s Federal Interstate Registration Scheme (FIRS).

The new charges are set out in the 2007 Heavy Vehicle Charges Determination, which was unanimously endorsed by Commonwealth, state and territory transport ministers at the Australian Transport Council meeting in Canberra on 29 February 2008.

The new heavy vehicle charges are one component of the Rudd Labor government’s broader heavy vehicle productivity and safety agenda.

The bill will ensure that Federal Interstate Registration Scheme charges are consistent with state and territory registration charges as of 1 July 2008.

National consistency in heavy vehicle regulation is important for our nation.

Heavy vehicles operate right across our country transporting freight across state and territory jurisdictions.

There are approximately 365,000 heavy vehicles operating in Australia. Industry needs to be certain that it can operate nationally, without excessive red tape or confronting access issues at state borders.

In 2006 heavy vehicles moved a total of 1.69 billion tonnes of freight, representing 70 per cent of the total domestic tonnes carried by all transport modes.

Successive governments at both Commonwealth and state and territory levels have supported the principle of cost recovery from the heavy vehicle industry for road construction and maintenance costs incurred through the collection of heavy vehicle charges.

In a speech given on 28 June 2007 entitled ‘The coalition government’s transport reform agenda’, the member for Lyne, then federal transport minister and Leader of the Nationals, said:

The National Transport Commission will develop a new heavy vehicle charges determination to be implemented from 1 July 2008.

The new determination will aim to recover the heavy vehicles’ allocated infrastructure costs in total and will also aim to remove cross-subsidisation across heavy vehicle classes.

Recovery of road expenditure under the nationally agreed heavy vehicle charges is achieved through a combination of a fixed registration charge, collected by the states and territories, and a road user charge collected by the Australian government. This bill deals only with the registration charges.

The most recent heavy vehicle charge determination was introduced in 2001. It established charges to recover past expenditure from the heavy vehicle sector that, at the same time, lowered registration fees for some larger trucks, effectively cross-subsidising them.

Registration charges were indexed while fuel charges were not.
As a result of this, the amount of money raised does not recover the cost of providing infrastructure for heavy vehicles.

This was confirmed in the December 2006 Productivity Commission report into road and rail infrastructure pricing.

The National Transport Commission estimates that the current under recovery is in excess of $100 million per annum.

In April 2007, the Council of Australian Governments directed that, as part of an overall transport reform package, Australian transport ministers should require the National Transport Commission to prepare a new heavy vehicle determination.

That determination was to deliver revised charges for introduction in 2008, which fully recovered the heavy vehicle industry’s share of aggregate government road expenditure, to index those arrangements so as to not lead to further under recovery, and to remove cross-subsidisation across heavy vehicle classes.

During 2007, the National Transport Commission undertook a comprehensive consultation process which informed its final recommendations.

A six week consultation process on the draft Regulatory Impact Statement was undertaken. This process involved written submissions, provision of industry briefings and a series of focus group consultations with industry, trade unions, state and territory governments, peak industry associations and freight customers.

As a result of these consultations, the National Transport Commission made a number of changes to its recommendations, which were discussed with industry and jurisdictions.

The determination proposed by the National Transport Commission recommended a new set of registration charges which re-balance the relative contribution of different heavy vehicle classes.

These new charges will result in larger trucks, the B-doubles and road trains, paying more in registration charges. To assist the industry adjust, these increases will be phased in over three years.

They will also result in a reduction in charges for smaller trucks.

No longer will owners of smaller trucks have to subsidise the B-doubles and road trains.

These changes better align charges to the impacts of those vehicles on our roads.

The determination also increases the road user charge from 19.633c per litre to 21c per litre, indexed annually.

After consulting with the industry, the government has decided to delay the increase in the road user charge until 1 January 2009.

As I outlined earlier, this charge is not part of the bill before the House, but a separate declaration under the Fuel Tax Act 2006.

The Rudd government has decided to supplement the determination with a $70 million, four-year heavy vehicle safety and productivity package that will fund:

- trials of technologies that electronically monitor a truck driver’s work hours and vehicle speed;
- the construction of more heavy vehicle rest stops and de-coupling areas along our highways and on the outskirts of our major cities to assist truck drivers rest; and
- bridge strengthening projects and upgrades to linkages between existing Auslink freight routes enabling access to those roads to more productive heavy vehicles.

The government will consult with industry and state and territory governments to de-
termine the best combination of projects for the use of the $70 million package.

Since taking carriage of an issue that we inherited from the previous government, the government has been carefully listening to the views of the industry.

Our decisions to implement the $70 million safety and productivity package and to delay the implementation of the road user charge until 1 January 2009 were taken after consultations with all of industry, including the relevant unions.

On 29 February, Stuart St Clair from the Australian Trucking Association said:

The trucking industry and working families will benefit from the Australian Government’s decision to delay increasing the fuel tax paid by trucking operators …

Minister Albanese has listened to the industry and delivered a strong result for trucking operators and Australian Families …

The heavy vehicle industry needs to pay its fair share of road construction and maintenance costs.

It is also important that the very largest trucks pay their full share and that they are no longer subsidised by smaller trucks.

The new charges will be fairer to both those in the industry and the wider community. Importantly, the new charges deliver the Council of Australian Governments’ requirement for full and ongoing cost recovery.

The new charges will encourage state and territory governments to facilitate access to the road network to higher productivity heavy vehicles.

This, in turn, would make better use of the nation’s infrastructure—a key element of the Rudd Labor government’s plan to raise productivity, fight inflation and maintain economic growth and living standards.

I commend the bill to the House.
That determination will be implemented in part by Interstate Road Transport Charge Amendment Bill 2008, which enables nationally agreed new heavy vehicle registration charges to be applied to heavy vehicles registered under the Australian government’s federal interstate registration scheme (FIRS).

The repeal will become effective from midnight on 30 June 2008, to coincide with the implementation by the ACT of the new charges to ensure a seamless transition.

It is necessary to allow the ACT to implement the new charges within its own legislative framework.

The ACT and other jurisdictions have been consulted on this amendment.

I commend the bill to the House.

Debate (on motion by Mrs Bronwyn Bishop) adjourned.

VETERANS’ ENTITLEMENTS LEGISLATION AMENDMENT (2007 ELECTION COMMITMENTS) BILL 2008

First Reading

Bill and explanatory memorandum presented by Mr Griffin.

Bill read a first time.

Second Reading

Mr Griffin (Bruce—Minister for Veterans’ Affairs) (9.13 am)—I move:

That this bill be now read a second time.

I am pleased to present legislation that demonstrates this government’s commitment to Australia’s veteran community.

The measures in this legislation represent another significant step towards fulfilling the government’s pre-election commitment to deliver better services to the ex-service community—and a fair go.

The bill will extend the income support supplement to war widows and war widowers who are under qualifying age.

The measure removes the requirement for war widows or widowers who are under qualifying age to have a dependent child, be permanently incapacitated or be the partner of a person receiving an income support pension before they can receive the income support supplement.

This measure will immediately benefit approximately 1,400 war widows or widowers who are under qualifying age and not currently entitled to income support.

It should be noted that the payment of income support supplement on the grounds of permanent incapacity will be retained, so that incapacitated war widows or widowers under age pension age will continue to receive their income support supplement as a tax-free payment.

This measure provides additional support for war widows and widowers to help them meet the cost of living.

The bill will also extend, in respect of certain single disability pension recipients, the disability pension bereavement payment. Currently, this payment is only payable in respect of partnered disability pension recipients.

Under this measure the bereavement payment will be extended to cover single recipients of the special rate and extreme disablement adjustment disability pension who die in indigent circumstances.

The bereavement payment is a one-off payment equivalent to 12 weeks of the special rate or EDA rate of disability pension.

The bereavement payment will help the families of veterans to meet the costs of a funeral.

Finally, the bill will extend the automatic grant of war widow or war widower or or-
phan pension to the widows, widowers and eligible children of veterans and members who, immediately before their death, were in receipt of temporary special rate or intermediate rate disability pension.

Australians are justifiably proud of our veterans and our ex-service men and women.

This government believes that the provision of robust services and support for the ex-service community is a sincere way to show our gratitude and recognition of the bravery and sacrifice of these Australian men and women.

The measures in this bill clearly demonstrate that the government is serious about its pre-election commitments to better look after those in the veteran community—and their families.

Debate (on motion by Mrs Bronwyn Bishop) adjourned.

COMMITTEES
Public Works Committee
Reference

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support) (9.16 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Refurbishment of staff apartments—Australian Embassy complex, Tokyo, Japan.

The Department of Foreign Affairs and Trade proposes to refurbish 43 staff apartments at the Australian Embassy complex in Tokyo, Japan. This proposal was referred to the Public Works Committee on 21 June 2007, but the reference lapsed when the previous committee ceased to exist with the prorogation of parliament on 15 October 2007.

The Australian government built the existing embassy complex and has occupied it since 1990. The complex comprises the chancery, apartments and recreational facilities. The proposal is to undertake internal refurbishment of all 43 staff apartments. The works will include upgrading building services. They will ensure compliance with current standards and building codes and enhanced amenity for tenants, as well as protecting the government’s long-term commercial investment and rental value in the property. The Australian government owns the embassy complex, which was valued at $258.25 million in 2006. The estimated cost of the proposal is $22 million. Subject to parliamentary approval, construction is expected to commence in early 2009, with completion in 2010. I commend the motion to the House.

Question agreed to.

Public Works Committee
Reference

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support) (9.18 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: HMAS Creswell redevelopment, Jervis Bay Territory.

The Department of Defence proposes to undertake a redevelopment of HMAS Creswell, Navy’s premier training institution. This proposal was referred to the Public Works Committee on 31 May 2007, but the reference lapsed when the previous committee ceased to exist with the prorogation of parliament on 15 October 2007. The works now proposed are required to overcome the limitations of current facilities, to provide effective training to Navy officers and sailors to support Navy’s capability. The progression of the project will aid in Navy’s recruitment and retention.
The main components of the project include new and refurbished living-in, office and classroom accommodation and upgraded engineering services. The project will also provide modernised training and physical fitness facilities to support Navy training requirements at HMAS Creswell. The estimated outturn cost of the proposal is $83.6 million plus GST. Subject to parliamentary approval, the works would be commenced in 2008, with the objective of having them completed by 2011. I commend the motion to the House.

Question agreed to.

Public Works Committee
Reference

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support) (9.20 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Airborne Early Warning and Control aircraft facilities, RAAF Base Tindal, Northern Territory.

The proposal will provide new infrastructure at RAAF Base Tindal in the Northern Territory to enable the new airborne early warning and control aircraft to operate effectively from the base. This proposal was referred to the Public Works Committee on 21 June 2007, but the reference lapsed when the previous committee ceased to exist with the prorogation of parliament on 15 October 2007.

This new capability will be an integral part of a layered Australian Defence Force air defence system. The airborne early warning and control capability will enhance surveillance, air defence, fleet support and force coordination operation in defence of Australia’s sovereignty and her national interests. The aircraft will be home based at RAAF Base Williamtown in New South Wales and will use RAAF Base Tindal as a forward operating base. The first aircraft are scheduled for delivery in March 2009. The proposal will provide new taxiways, aprons, shelters, hydrant refuelling and associated infrastructure. The estimated outturn cost of the proposal is $64.2 million plus GST. Subject to parliamentary approval, construction is expected to commence in early 2009, with completion in late 2010. I commend the motion to the House.

Question agreed to.

Public Works Committee
Reference

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support) (9.22 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Robertson Barracks redevelopment, Darwin, Northern Territory.

The Department of Defence proposes to undertake a redevelopment of Robertson Barracks, the home of the Army’s 1st Brigade. This proposal was referred to the Public Works Committee on 21 June 2007, but the reference lapsed when the previous committee ceased to exist with the prorogation of parliament on 15 October 2007. The works now proposed are required to meet the requirements of the Australian Army in a complex strategic environment and to meet the requirements of the government’s Hardened and Networked Army initiative and introduction of the Abrams tank fleet. The works consist primarily of extension or replication of existing facilities.

The estimated outturn cost of the proposal is $72.1 million, plus GST. Subject to parliamentary approval, the works would be commenced in early 2009 with the objective.
of having them completed in 2010. I commend the motion to the House.

Question agreed to.

Public Works Committee
Reference

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support) (9.23 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Hardened and Networked Army (HNA) facilities at Edinburgh Defence precinct, South Australia.

The Hardened and Networked Army initiative, which was approved by government in December 2005, greatly strengthens the Army’s protection, mobility, firepower and communications, allowing operations in more complex, dangerous and uncertain environments. This proposal was referred to the Public Works Committee on 9 August 2007, but the reference lapsed when the previous committee ceased to exist with the prorogation of parliament on 15 October 2007. The initiative will increase options for the government in terms of both the combat weight of the force that can be deployed and the duration that forces can be sustained on operations. As part of this initiative the 7th Battalion Royal Australian Regiment, 7RAR, is being re-raised as a mechanised infantry battalion. The battalion currently occupies temporary facilities in Darwin but will be based at Edinburgh Defence Precinct, Adelaide, along with supporting artillery, combat engineer and logistics troops.

The Hardened and Networked Army Facilities project at Edinburgh Defence Precinct, at an estimated outturn cost of $623.68 million plus GST, will provide working accommodation and training facilities, urban warfare training facilities, a driver training area, a vehicle wash point and common user facilities for both Army and Air Force, including health, messing, fitness and community facilities. The project will deliver a high-priority defence capability requirement. It will also deliver economic benefits for South Australia and provide a popular posting location for Army personnel. Subject to parliamentary approval, construction is planned to commence in mid-2008 and be completed by December 2011. I commend the motion to the House.

Question agreed to.

Public Works Committee
Reference

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support) (9.26 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Land Engineering Agency Test Services relocation, Monegeetta, Victoria.

The Department of Defence proposes the relocation of Land Engineering Agency Test Services from Defence Site Maribyrnong to Monegeetta Proving Ground, Victoria. This proposal was referred to the Public Works Committee on 31 May 2007, but the reference lapsed when the previous committee ceased to exist with the prorogation of parliament on 15 October 2007. The objective of this proposal is to gain advantages from the co-location of Land Engineering Agency Test Services relocation, Monegeetta, Victoria. This proposal was referred to the Public Works Committee on 31 May 2007, but the reference lapsed when the previous committee ceased to exist with the prorogation of parliament on 15 October 2007. The objective of this proposal is to gain advantages from the co-location of Land Engineering Agency Test Services with its existing operations at Monegeetta. The proposed project involves a mixture of refurbished and new facilities, including new supporting infrastructure.

The estimated outturn cost of the proposal is $35.9 million plus GST. Subject to parliamentary approval, construction could commence in late 2008 with completion in 2010. I commend the motion to the House.
Question agreed to.

Public Works Committee

Reference

Dr KELLY (Eden-Monaro—Parliamentary Secretary for Defence Support) (9.27 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Multi Role Helicopter facilities.

The Department of Defence proposes to provide a range of helicopter shelters, operational facilities, simulated buildings and maintenance facilities to support the introduction of the multirole helicopter aircraft. This proposal was referred to the Public Works Committee on 16 August 2007, but the reference lapsed when the previous committee ceased to exist with the prorogation of parliament on 15 October 2007. The proposed facilities and infrastructure will be located at RAAF Base Townsville; the Army Aviation Centre at Oakey; Gallipoli Barracks at Enoggera, in Queensland; and HMAS Albatross at Nowra in New South Wales. The project will involve a mix of new facilities, refurbishment and adaptive reuse of existing facilities.

The estimated outturn cost of the proposal is $168.7 million plus GST. Subject to parliamentary approval, construction is expected to commence in late 2008 with completion by late 2010. I commend the motion to the House.

Question agreed to

SKILLS AUSTRALIA BILL 2008

Returned from the Senate

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

WORKPLACE RELATIONS AMENDMENT (TRANSITION TO FORWARD WITH FAIRNESS) BILL 2008

Second Reading

Debate resumed from 20 February, on motion by Ms Gillard:

That this bill be now read a second time.

Mr MORRISON (Cook) (9.29 am)—The coalition have agreed to not oppose the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008. It is a simple and straightforward position. The government appear confused, but it is simple: we have decided not to oppose this bill. This position may disappoint those who sit opposite who may have wanted to get their Your Rights at Work posters out of their garage, dust them off and get them up on those poles again at the next election. The posters got on those poles with the assistance of the ETU and all the energy companies—which, I note, particularly in my electorate, were more than happy to see their staff go up the poles to put them up there. In fact, if you drive around some parts of the Sutherland shire, you will still find these signs. They are still out there on our poles, traffic signals and various things. It is about time they came down; the election is over. The decision has been made and we are now dealing with the outcomes of that decision in this place.

The coalition have abolished Work Choices as our policy and will present a fresh policy to the Australian people at the next election. Those opposite will try every trick in the book to seek a rerun of the Work Choices election, but they will find no comfort here. Next time, they will actually have to develop a policy agenda that goes beyond slogans, t-shirts and big orange signs. They will be the government at the next election and the Australian people will hold them to account for the expectations they have cre-
ated. Those expectations include putting a lid on petrol prices, reducing interest rates, keeping unemployment at record lows and controlling the price at the checkout. These are the expectations created at the last election by those who sit opposite. They were going to manage these things and keep them under control. At the next election, they will be held to account for these expectations. At the checkout, they will be held to account not only for the prices of mainstream items—of groceries, cereal and all of these sorts of things—but also for other items that are out there, from Chupa Chups to Tim Tams. These are all things that they said that they would keep a lid on in terms of prices and that is what the next election will be about.

That said, there can be no mistake: workplace relations was a key theme at the 2007 general election. In my own electorate of Cook, in Sydney’s Sutherland shire, it was the only issue my opponents raised. They offered no vision for our local community. They made no claims about their candidate’s ability or experience to deal with local issues. They were, in absolute truth, a one-trick pony. In addition to their candidate, there are other good reasons for not highlighting these matters. The Labor campaign was completely funded by the Electrical Trades Union. The ETU had no interest or stake in the future of local issues in the shire and they were certainly not about to invest their tax-free union funds in any campaign other than one that addressed their goals and purposes, so it was wall-to-wall Your Rights at Work from start to finish. While the ETU may have failed in Cook, the broader union campaign, backed by $30 million of tax-free union donations, certainly hit its mark. The campaign sought to exploit the fears of Australian families and it worked.

It is a common saying that history is written by the victors. Implicit in this saying is that such history is never the full truth and is written to reinforce the victor’s own ongoing purposes, regardless of its relevance to the result. If we blindly accept the victor’s version of history, as those opposite are seeking to achieve, then we run the risk of failing to learn the true lessons of that history and, therefore, of repeating it. I am happy for those opposite to be so caught up in their own importance as to miss this point. There will come a day when they will wish they had curbed their exuberance and listened more carefully to what the Australian people actually said on 24 November rather than what they wanted them to say.

Those who lose elections are the ones who are sent a message. It is for those who have been defeated to understand the message that has been sent. So what did we learn? What message did we receive? In 1996, the Howard government introduced for the first time individual statutory agreements. It did so after winning an historic election, which followed Bill Kelty promising the full symphony of union opposition. The election was won. The reforms were introduced and opposed by those who sit opposite—so much for their respect for mandates in this place. Subsequent reforms—including the opportunity for non-unionised collective agreements, the abolition of compulsory unionism, restrictions on the right of entry and sanctions against secondary boycotts—all formed part of a workplace revolution opposed by Labor, which fuelled the growth of our economy and, more significantly, increased the real wages of Australian employees by 21.5 per cent over the term of our government. That was the dividend to Australian families, two million of which became working families under the policies of the coalition while in government: a 21.5 per cent increase in real wages.

What does that compare to? How did the election of the Howard government change the lives of ordinary Australians? That in-
crease is in comparison to a 1.8 per cent decline in real wages under the previous Labor government, despite commencing the process to unshackle the Australian labour market. Commendation must be given to those who sat opposite and are no longer in this place for trying to start that process. They could never implement the reforms that were necessary to create the more than two million extra jobs and to see the unemployment rate drop from more than eight per cent to 4.1 per cent. Of greater significance were the reforms to our waterfront, also opposed by those who sit opposite. These reforms have resulted in a 60 per cent improvement in the productivity performance of our ports, with average crane rates increasing from 16.9 per hour in 1996 to 26.8 in December 2006. Under the coalition government, no longer did you have sit and watch the absolute travesty of product for offshore markets rotting on the docks.

The combination of these reforms served to set up our prosperity. Most significantly, we have been able to harness the benefits of the resources boom. The resources boom is something those opposite like to talk a lot about. They seem to think that a resources boom is something that falls from heaven—that it just happens to your economy and there is nothing you have to do to make sure that you can harness that boom. They seem to think that there is nothing you have to do as a government when there is a resources boom to ensure that the benefits of that actually translate to the Australian economy and are captured.

Without the reforms introduced by the Howard government to industrial relations in 1996 the resources boom would have passed us by. Had those who sit opposite continued in government at that time, they would not have been able to guarantee supply. The business would have moved elsewhere. Our reforms reduced industrial disputation to the lowest levels on record. As union membership declined to just 15 per cent of the private sector workforce, Australians learnt that the way to prosperity and better living conditions in this country was not through Labor’s tired old union model of conflict and disputation; rather it was by constructive engagement, profit sharing and working for the success of their enterprises that saw real wages rise by 21.5 per cent.

In fact, one of the challenges faced by the coalition at the last election was that the relevance of unions in the Australian workplace had become such a distant memory that many were completely unaware of the risks faced by their return. Well, they will now be reminded. And for many it will be a new experience. Those who have started businesses in an environment of the lowest level of industrial disputation on record will be reminded of what it is like to have unions come and interfere in the operations of their businesses, particularly when they are employing between about five and 20 people in their workplaces.

The reforms of 1996 were reinforced by victories in the 1998, 2001 and 2004 federal elections. That is what I call a mandate for industrial relations reform. I say to those opposite: one swallow does not make a summer. In 1996 we won an election on the basis of serious reforms of our industrial relations system that was backed up by the Australian people on three further occasions. In 2006 the new reforms that were introduced awoke the union beast and changed the nature of the debate. But what was the offending nature of these reforms?

In her second reading speech the minister would have you believe that the problem was all to do with individual agreements—agreements that had been available to Australian employees since 1996 and had been endorsed at the ballot box on three separate
subsequent occasions. Such an argument may suit her agenda in rewriting history to confect her mandate, but it does not make it true. In her speech she said she believed that there is ‘no need for any individual statutory employment agreements’. This is the main game of the Labor Party: the abolition of individual agreements and the re-unionisation of collective agreements. That is the agenda. This is the mandate they are now seeking to confect as a result of the 2007 general election. But this is not what I believe the Australian people said on 24 November. The flaw in the coalition policy was to provide insufficient protections as part of the new package, more specifically the removal of the no disadvantage test. This was the poison pill of Work Choices, not individual agreements. If such agreements had continued to be the subject of a no disadvantage test then we may well not have had this debate we are having now. It will be ever to the shame of those businesses who sought to abuse the new provisions provided by the government that the ground will be forever spoiled to entertain such levels of flexibility in our workplaces. I commend the member for North Sydney for his attempt to restore faith in the package through the introduction of the fairness test. There was no other alternative, but sadly the damage had already been done.

The minister has sought to cleverly demonise individual agreements by asserting in her speech introducing this bill that the ‘essence of such agreements is that they override the safety net’. This is a fallacy. An individual agreement can be as equally subject to a safety net as a collective agreement. These statements are proved by the government’s own willingness to preserve such agreements in this bill and make them subject to these conditions. It is also true that a non-union collective agreement can be as equally subject to these protections as a union collective agreement. Yet the government is seeking to effectively mandate the involvement of unions in such agreements in every workplace by setting the bar so low that, for those of you who read children’s stories—and there used to be someone in this place who liked to read children’s stories—Flat Stanley could not get below this standard. This standard is so low that unions will be in every single workplace in this country again.

Heaven forbid that Australians may actually wish to individually or collectively continue to negotiate their terms and conditions directly with their employers in their own enterprises! This is particularly true for those who work in small business. The problem with those opposite is that they are hopelessly out of touch with small business in this country—small business does not feature on their agenda. Small business families are not part of the government’s definition of working families. But, as those on this side of the House well know, there are no more harder working families in this country than families who are working in small business. These businesses typically employ less than 20 people. They are the heart and soul of Australia’s entrepreneurial culture and they have been marginalised and demonised by this government.

In my own electorate of Cook, 91 per cent of the almost 6,000 businesses that employ people employ 20 people or less. They are spread over many different industries, from construction and manufacturing to retail, trade and financial services. They employ tradies, professionals, administrative staff, sales assistants and labourers—it is a broad cross-section. You will find no pretension or confected class barriers in the shire. People take you as you are. You are expected to be honest and up-front, to work hard and take responsibility. This is how business thrives in the shire. Our businesses, especially small
businesses, work as teams. They do not need the unwelcome intrusion of those who wish to bring division and dissent to their workplace to justify their own existence. As a former CEO I know that the most important objective is to build the trust in your workplace. It cannot be a battlefield; it must seek to share the rewards of effort. Such an approach is accommodated by individual and non-union collective agreements and must continue to be an option in Australian workplaces if we are to continue to enjoy a prosperous future.

The government have made much of inflation since coming to office. They have drawn much attention to the issue. They have a five-point plan for inflation. However, of greatest interest is that this plan—a five-point plan, with a five-star blind spot—is totally silent on the issue of workplace relations, which totally undermines its credibility.

On 19 January this year, the Governor of the Reserve Bank—a constituent of mine—gave an address to the Australian businesses in London. In that address, he stated:
The rapid pace of global growth in recent years has seen a pick-up in some key prices. Prices for foodstuffs, energy and raw materials for industrial processes are quite high. The synchronised nature of the increases has been quite marked as well, in a fashion eerily reminiscent of the early 1970s.
What is different on this occasion is the way that labour costs have behaved. In the early 1970s, labour costs exploded in many countries as inflation expectations began to rise … and labour unions reached the peak of their power.
That is what the Governor of the Reserve Bank had to say about inflation in January this year. The multiheaded policy approach of the Howard government, with workplace reform and fiscal discipline, evidenced by 10 successive budget surpluses, including the last three at 1½ per cent plus of GDP, has enabled us to grow our economy to more than $1,000 billion and keep inflation at an average of just 2½ per cent, compared to over five per cent when Labor was last in office.

A plan to curb inflation, which fails to address the issue of wages, is no plan at all; it is just a list of five things. In fact, it is a wish list, because only by a wishin’, a hopin’ and a prayin’ will it have any impact. It is not a five-point plan. It has a five-star hole in it and this hole needs to be fixed. The dogs are out and they are barking. They are off the leash following this election.

In a state wage case currently underway in New South Wales, Unions New South Wales have made a submission, affecting 220,000 workers, for a 4.8 per cent wage increase. That is what I call a genie out of the bottle. What would possess them to make such a claim of 4.8 per cent? I refer to the speech of the Governor of the Reserve Bank in London, in January, where he said:
The fact that inflation expectations have been low and pretty stable has also helped.‘Keeping a lid on inflationary expectations,’ the Governor said, ‘has helped.’ Since the Governor made these statements, things have changed. In February the Reserve Bank reported on how inflationary expectations had now risen from 3.8 per cent to 4.3 per cent. That was what it reported in the February edition of the Reserve Bank Bulletin. That is the first figure on inflationary expectations that has come out after this government was elected. And I wonder why inflationary expectations are up. This is what happens when you have a reckless Treasurer—the missing and weakest link of this government—stumbling around our financial system, talking about genies and bottles, and a Prime Minister so hell-bent on undermining the economic credibility of the opposition that he is prepared to do anything, including talking up inflation and putting pressure on
wages and, ultimately, interest rates. That is why we have a 4.8 per cent wage claim from Unions New South Wales, because they are trying to keep up with inflationary expectations—inflationary expectations that are rising on a daily basis by the reckless actions of this government.

The five-point plan needs a renovation. It needs a renovation rescue. It needs to include a clear plan on workplace reform that contains wage pressures, not one that unleashes wage pressures. It also needs a plan to keep the Treasurer away from the microphone. We as a country cannot afford this Treasurer to be bumbling about our financial markets, talking up inflation, which leads to an increase in interest rates and impacts on those whom we in this place should protect most. Everything that is coming from the Treasurer is hot air and it is giving lift to inflationary expectations.

The opposition has proposed some sensible amendments to this bill. They should be supported by the government. We want to see the work done in the Senate that lets the Australian people know what they are in for when Labor dismantles the industrial reforms first introduced by the Howard government in 1996 and endorsed at subsequent elections by the Australian people.

Let me stress that this bill is not content with reversing the changes introduced in Work Choices. Labor have gone a lot further than that. Work Choices no longer represents coalition policy. Labor go much further and, before they introduce this system, we should first get an estimate of what it will cost so that working families—and in our definition of ‘working families’ we include families which work in small business—(Time expired)

Mr COMBET (Charlton—Parliamentary Secretary for Defence Procurement) (9.50 am)—It gives me much pleasure to speak in support of the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008. The bill begins the important process of unravelling the unfair Work Choices legislation of the previous Howard government. I personally spent much of my time over the past few years campaigning against the Work Choices legislation because of the harmful effect that it had on working families.

In my experience, Work Choices was one of the most divisive public policy measures for many years. It is worth recalling some of its key features so as to place in context some of the work which is to be done by the bill which is before the House. Work Choices involved the abolition of protection against unfair dismissal for millions of people. That meant that people could be sacked, the financial security of their family undermined, without remedy or attention to fair process. It also meant the emasculation of the powers of the independent Australian Industrial Relations Commission, an institution which had historically ensured a fair balance between employers and employees in the workplace. Work Choices also involved the abolition of the national wage case, which had for more than a century provided for an open and transparent process for the determination of minimum wages.

Work Choices also included the undermining of the award safety net, putting basic conditions such as penalty rates for shift work, weekend work, public holiday work, annual leave loading, meal and rest breaks, public holidays and a host of other employment conditions up for grabs in workplace bargaining. If an employee did not have the bargaining power to retain these employment conditions, they could be lost. And if an employer wanted to employ people on condition that they did not receive such entitlements such as penalty rates and other conditions,
the law under Work Choices sanctioned that approach.

Work Choices also restricted the right of employees to join and be represented by a union. It also placed restrictions on the right of employees to collectively bargain. Under the Howard government’s regime, even if every single employee in a workplace freely wished to collectively negotiate with their employer, the employer had no obligation under the law to even speak to them. The implementation of Australian workplace agreements was, of course, a key feature of Work Choices. These, as we know, are statutory individual contracts and they were made under Work Choices the legally dominant form of workplace agreement making. AWAs could be imposed by an employer by making them a condition of employment and by refusing to negotiate any other form of agreement, and I had the experience of representing employees on many occasions where employers used them in that manner. Work Choices also overrode the state industrial relations systems without any attention to the potentially harsh impact and loss of employment conditions for employees affected.

The impact of these changes on employees has been devastating. I saw this at first hand in my former role as ACTU Secretary. People were sacked, for example, in the most unfair of circumstances. With no remedy available to them, the termination of their employment not only undermined their financial security but instilled in them a tremendous sense of injustice. I met many people who had never before paid attention to politics and who had never felt previously motivated to be active in their workplace over their industrial rights but whose experience of Work Choices was the catalyst for significant personal change on their part. The loss of unfair dismissal protection alone awakened within many people a sense of injustice and caused them to campaign on behalf of others as well as themselves. Some of these people participated in the Your Rights at Work campaign coordinated by the ACTU against the former Howard government’s workplace laws. There were people like Annette Virgen, a grandmother from Banyo in Queensland, who was sacked for no reason after nine years of loyal service. Andrew Cruikshank, another person I met, was dismissed from his job for operational reasons under the Liberals’ industrial relations laws. Two weeks later the company readvertised his position at a discount of $25,000 on his previous salary. Arthur Ledwidge was another man that I met. His employment was terminated and he was replaced by contractors on inferior terms of employment. Robert Kirkwood’s employment, along with that of other colleagues of his, was terminated by Cowra abattoir, and they were told to reapply with a 30 per cent pay cut. Emily Connor, a woman I met again yesterday at the National Press Club, was a childcare worker in Canberra. She was sacked without warning and without being allowed to even farewell the children who were in her care. She was given 10 minutes to leave the workplace. Jennifer Gillian, a woman in Queensland, was sacked via text message. Lyn Barnes, a woman in Sydney, was sacked after 25 years without a complaint being made against her, and the list could go on and on and on.

The promotion of Australian workplace agreements also had a devastating impact on the take-home pay of many working families. We need to look no further than the statistics cited in the House by the Deputy Prime Minister a couple of weeks ago. From a sample of over 1,700 AWAs lodged between April and October 2006, we know the following: 89 per cent of them excluded one or more protected award conditions; 83 per cent of them excluded two or more; 78 per cent excluded three or more protected award
conditions. The most commonly removed protected award conditions included shift-work loadings. For example, 70 per cent of the AWAs surveyed excluded shiftwork loadings, 68 per cent excluded annual leave loading and 65 per cent excluded penalty rates generally. These are not just statistics. I know from my direct experience of working with people affected by the use of AWAs what they really meant for working families. There was no obligation on an employer under Work Choices to compensate people for the loss of those employment conditions, and it therefore meant that there were direct cuts in people’s take-home pay. That meant that people had even less influence over their working hours and therefore less capacity to manage their family responsibilities. It meant the loss of people’s dignity as well as their standard of living, and all at a time when the pressure of work was increasing and the costs of living were rising.

The key feature of AWAs is that they can remove award conditions, as I said, without any compensation at all. They can undercut the safety net—and it is crystal clear that that was the intent of the Work Choices legislation.

Opposition members interjecting—

Mr COMBET—There is no fabrication at all. Person after person after person experienced that outcome under Work Choices. The claim by the former workplace relations minister, the member for North Sydney, that members of the former Howard government cabinet did not understand this reality is simply not credible. There is certainly no doubt in my experience that the Prime Minister, at the time of the formulation of the Work Choices legislation, understood perfectly well what it was going to involve, as I had the opportunity to discuss it with him in my former role. There is no doubt that there was plenty of evidence of the disadvantage too, once the Work Choices legislation was introduced, from which members of the former Howard government could have learnt. There was evidence such as the experience of 17-year-old Renee Pitman, from Carseldine in Queensland, who was given an AWA individual contract that took away her penalty rates and overtime. She worked Anzac Day, Boxing Day and the Easter break at a flat rate. A woman from Coffs Harbour named Annette Harris, who worked at the time for Spotlight, lost penalty rates approximating earnings in the order of $90 a week in return for a 2c an hour increase. It is important to note, too, that following a lot of representation on behalf of the employees of Spotlight, Spotlight has now negotiated a collective agreement with the union on behalf of employees to remedy the shortfalls and the approach that they had previously taken using AWAs.

Although the impact of AWAs was felt by many groups across the workforce, the harshest impact—as usual with these things—was on the lowest paid, who are always the most vulnerable to such pressure in the workplace. Despite the perception that AWAs are most prevalent in the mining industry, in fact the majority of AWAs have been made within the areas of low-paid employment. Such people include many women, young people and workers of a non-English-speaking background, and this is the reason that AWAs have also had a negative impact on equal pay for women.

This bill is important in addressing the patent unfairness of the industrial relations system of the former Howard government. The bill amends the Workplace Relations Act 1996 to make a number of changes to the framework for workplace agreements and to enable the process of award modernisation to commence. The amendments will give effect to key government election commitments and begin the transition to a new workplace
relations system. Some of the features of the bill include the prevention of the making of new AWAs from the date of commencement of the bill—AWAs made and lodged before the commencement date will continue to operate until terminated or replaced. The bill also will establish a new individual statutory agreement, called the individual transitional employment agreement, for limited use during the transition period only. The bill also implements a genuine no disadvantage test against the safety net for all workplace agreement making, preventing the rip-offs which were a feature of the Work Choices legislation. Importantly, rather than having only five minimum conditions as provided by Work Choices, the bill also provides that, if an existing AWA is terminated, an employee can be covered by a collective agreement at the workplace, if there is one, or alternatively by the relevant safety net award. Where a collective agreement is terminated the employees will be entitled to the award safety net. The bill also allows pre-Work Choices certified agreements to be varied and extended by agreement so the parties to those agreements can avoid any uncertainty created by a double transition to the new system that Labor will introduce. Importantly, the bill also establishes the award modernisation process to create new modern awards as a safety net by 31 December 2009.

The changes to the industrial relations system that I have adverted to will not harm the economy. They will simply begin the process of ensuring that there is a fairer set of rights and responsibilities for employees and employers in the workplace. Indeed, there are two important economic reforms inherent in Labor’s policy. Firstly, there is the movement towards a national industrial relations system, which has become possible due to the judgement of the High Court in the Work Choices case. This judgement has extensively redefined the power of this parliament to directly legislate in relation to employment matters by enabling the parliament to rely upon the corporations head of power of the Constitution. Historically, of course, it had been believed that the parliament could only legislate in relation to industrial relations by relying upon the conciliation and arbitration power. This constitutional footing was the basis for a century of somewhat arcane procedures surrounding the making of awards and agreements in the federal system, such as the necessity to create paper based interstate industrial disputes with wide ambit, considerations about the genuineness of that point in time, any need for individual statutory employment agreements.

The new National Employment Standards include hours of work and reasonable overtime; parental leave, with 12 months unpaid; flexible work for parents; annual leave of four weeks; personal, carers and compassionate leave totalling 10 days; community service leave; public holidays; information in the workplace with the fair work information statement; notice of termination and redundancy; and long service leave. And nothing will deter us from bringing this about. Lastly, the bill will amend the Skilling Australia’s Workforce Act to remove provisions which made funding to TAFE institutions conditional on offering AWAs—and that is a very important measure in the bill.

The changes to the industrial relations system that I have adverted to will not harm the economy. They will simply begin the process of ensuring that there is a fairer set of rights and responsibilities for employees and employers in the workplace. Indeed, there are two important economic reforms inherent in Labor’s policy. Firstly, there is the movement towards a national industrial relations system, which has become possible due to the judgement of the High Court in the Work Choices case. This judgement has extensively redefined the power of this parliament to directly legislate in relation to employment matters by enabling the parliament to rely upon the corporations head of power of the Constitution. Historically, of course, it had been believed that the parliament could only legislate in relation to industrial relations by relying upon the conciliation and arbitration power. This constitutional footing was the basis for a century of somewhat arcane procedures surrounding the making of awards and agreements in the federal system, such as the necessity to create paper based interstate industrial disputes with wide ambit, considerations about the genuineness of
paper disputes and that matters contained in awards and agreements related to a strictly narrow definition of the employment relationship. As a former industrial advocate and practitioner, I am pleased that these artificial constraints have been jettisoned by the High Court.

The award modernisation process established by this bill means that awards will be able to operate in a manner akin to legislated minimum standards but will be able to be varied in a flexible way by the responsible authorities and they will bind constitutional employers and their employees. It is to be hoped, to achieve truly comprehensive reform, that the state governments which have not already done so will cooperate as closely as possible with the Rudd government to ensure that all private sector employment is regulated in a national system, because this would be a genuinely significant economic reform, vastly simplifying the multifaceted industrial relations environment we have had for the past 100 years.

The second key economic reform represented by this bill is its emphasis upon decentralised workplace collective bargaining. The experience from the decentralisation of the industrial relations system in 1993-94 enacted by the Keating government is that decentralised workplace bargaining, where it is collectively conducted at the workplace, is a key driver of productivity growth—and this country has experienced a decline in productivity growth, with virtually negligible growth in the last quarter of 2007. Continuing to focus the industrial relations system on decentralised workplace bargaining which is collectively conducted, which respects the legitimate rights of employees to sit at the table with their employer and which respects the legitimate commercial interests of employers in that bargaining process is fundamental to productivity growth in the future for this country.

The economic arguments which the coalition has attempted to mount against Labor’s industrial relations changes are nonsense. In a decentralised collective workplace bargaining system, one which respects the interests of employers and employees, we will see improved productivity. The changes will not lead to inflationary wage pressures, and in fact the arguments that have been mounted are somewhat nonsensical. The Deputy Leader of the Opposition, the member for Curtin, has argued that the reforms will drive up inflation by increasing union power—and we heard more about that a moment ago—making it easier for workers to secure big pay increases. That is drivel and nonsense, and that line of argument demonstrates a lack of understanding of the basic economic conditions in which the industrial relations system operates and the nature of workplace-level bargaining.

Mr Ciobo—So they won’t get a pay increase?

Mr COMBET—People will get a pay increase and they will negotiate with their employer about productivity related matters at a workplace level, where employee rights are properly respected and where the legitimate interests of employers and their commercial interests are also properly respected. That is the basis of a decent system.

The real economic problems are those that have been bequeathed to this country by the former Howard government: the skills shortage, the deficit of investment in infrastructure, the lack of fiscal discipline, the failure to encourage innovation and research and development, the failure to prepare for an ageing population and ensure sufficient retirement savings and the poor international trading performance, despite a 60 per cent improvement in Australia’s terms of trade. This is what the former Howard government should have been focusing on rather than
exacting punishment on ordinary working people through its workplace relations legislation.

By contrast, the government is focusing on the future and is already well advanced in laying out our framework for a modern economy. At the end of the day, that is very important—looking to the future and laying out the basis for future economic prosperity and fairness and justice in the workplace and the wider society. As a new member it gives me immense pleasure to support this bill, as I know that it will lead to important protections for employees in the workplace and a balanced industrial relations system which also respects the rights of business. I commend it to the House.

Mr CIOBO (Moncrieff) (10.09 am)—I am certainly pleased to rise to put the coalition’s point of view with respect to the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008. It is an important bill because in a number of respects it goes to the very core of the last election. I am pleased to follow the Parliamentary Secretary for Defence Procurement—a man who in so many respects epitomised the dishonest scaremongering campaign that the union movement put forward in the last election and, indeed, for a good 12 months prior to that. It is interesting to debate this bill because it deals with the fundamental industrial relations issue in Australia and, in many respects, we have two opposing points of view.

The coalition took to the last election its policy named ‘Work Choices’. The coalition understands that the majority of public opinion was to reject Work Choices, and we have made it very clear that Work Choices is no longer our policy. We have also made it clear that we will not be opposing Labor’s Forward with Fairness bill that we are discussing here in the House today. But what we have seen from the Australian Labor Party is an attempt to rewrite history and to imply in some way that every aspect of the Work Choices reforms was a negative. Even worse that that, they attempt to couple Work Choices with AWAs.

The coalition have taken into account the results of the last election and the feedback we have received and have moved away from Australian workplace agreements. But in both of these respects it is worth putting on the record that a large amount of the economic benefit, the social benefit and the benefits that flow to the small businesses of Australia—and, interested as I am in small business, this is particularly important to me—is a result of key reforms that were instituted by the coalition. But my concern, as I mentioned, is that we are seeing an attempt by the Australian Labor Party to rewrite history. I find it reprehensible that the Parliamentary Secretary for Defence Procurement stands in this chamber and explicitly says that the purpose of Work Choices was to exact punishment on ordinary working people. It is consistent with the attitude of this new government, which is intent on using whatever misrepresentation it can to bend and twist people’s recollection of key reforms that have had a very profound impact.

There were aspects of Work Choices that were wrong, and no-one on this side of the chamber pretends otherwise. There were aspects that were wrong, and we have now moved to correct and recognise that. But there were also a number of very good aspects. In this respect, I must say that the Australian people cannot forget the fact that Work Choices and, indeed, a whole series of key economic reforms that were introduced by the previous Howard government paid very large dividends to the Australian population. The fact that our unemployment rate is at a 30-year low is a consequence of the key economic reforms of the Howard gov-
The fact that small businesses had confidence that they could take a chance with new employees is a direct result of the key economic reforms of the Howard government.

I have heard ministers opposite talk about having a mandate. Let us make one thing very clear: the former Howard government had a mandate on many occasions to ensure that there was an exemption on unfair dismissal for small businesses. But you never heard anything from the Australian Labor Party then. You never heard any great respect or regard for the small business sector to make sure that our mandate was recognised. The then coalition government sought to have an unfair dismissal exemption introduced more than 40 times, and more than 40 times the Australian Labor Party said: ‘We’re going to completely ignore that mandate. We don’t believe it has application. We are going to oppose it.’ And they did oppose it, more than 40 times. The consequence of that opposition was that small businesses did not have confidence that they could take the chance to employ someone and not have to pay ‘go-away money’.

I would have thought that it would be a matter of priority for the Labor Party to have a clear, definitive statement on unfair dismissal and its impact on the small business sector. It is often said that small businesses are in fact the backbone or the engine room of the Australian economy. Before speaking today, I looked to find a contribution by the Minister for Small Business, Independent Contractors and the Service Economy but I found he has not even spoken on this bill yet, and I am not sure if he is listed to speak. I find it extraordinary that the small business minister in the Rudd Labor government—or perhaps I should say I do not really find it extraordinary—has not even spoken on this bill and has not put forward any clear statement at all from the Australian Labor Party about what their position on unfair dismissal will be. How amazing that we should have a ‘transition to Forward with Fairness’ bill that provides no clarity and basically does not even mention unfair dismissal and the impact that will have on Australia’s 2.4 million small businesses, which employ millions and millions of Australians.

The coalition has said, as I mentioned earlier, that we will not be opposing the government’s legislation. However, we will seek to incorporate an amendment. We would encourage the government to incorporate that amendment into the legislation. That amendment is key. It is to extend the operation of the individual transitional employment agreement beyond the global expiry date of 31 December 2009 by a period of five years. We know that the Australian government acknowledges there is a place for individual workplace agreements. This is despite the fact that the Deputy Prime Minister went around for 18 months demonising the operation of individual agreements and the Parliamentary Secretary for Defence Procurement, who epitomises the union scare campaign in this regard, went around demonising individual workplace agreements. So, lo and behold, what happens? The new Australian government says: ‘Oh, we should actually have them. They should be in place.’ Apparently they do provide some flexibility, some certainty and fairness, but that is only for two years, according to the Australian Labor Party. So after two years and one day they no longer provide fairness! It is a non sequitur; it does not make sense; it is a ridiculous proposal.

The Australian economy has been a very big beneficiary of individual employment agreements and they need to remain a part of the Australian workplace relations system. For small businesses it is even more essential that they remain a part of that system, because small business operators do not have
the luxury of having an HR department; they do not have the luxury of having a human resources manager; they do not have the luxury of employing the kind of specialist skill base and knowledge that is required to often navigate one’s way through industrial relations in this country. In that respect individual employment agreements play a very important role in small business operators reaching an understanding and an agreement. They ensure that there is equity and fairness as to both the employer’s needs on the one hand and the employee’s needs on the other.

What I find most concerning is the fact that the Australian Labor Party holds out that, essentially, employers are there to try to wrangle and put employees under pressure. What a remarkable experience those in government must have had, because that stands in stark contrast to my understanding and to my experiences when I get out and about in my electorate. When I talk to people I speak to them knowing that my seat has the highest concentration of small businesses in the country. What I understand from employer after employer after employer is that they recognise that their employees are their best asset. They know that you cannot replace a good employee. Employers, especially those in small business, recognise that the worst thing they could do would be to try to take advantage of their employees, and that is especially the case when we have a record low unemployment rate.

The proposition that the Australian Labor Party puts forward concerns employers who at the moment are actively competing to try to secure additional employees with the nation having a record low unemployment rate, and that has been referred to by members opposite time and time again when they acknowledge that there is a labour force shortage. But the government says: ‘Well, you know what: we think in that circumstance employers are going to try to pin down employees. Employers are going to try to rip away the terms and conditions and to rip away the working environment of employees.’ That is absolutely absurd and should be acknowledged for what it is.

Employers know that the key to having a successful relationship with an employee is to make sure that it is exactly that: a successful relationship built on discussion, built on equity, built on an acknowledgement that each has individual needs that need to be catered for and need to be incorporated. That is what individual employment agreements do. The Labor Party know that, and that is why they are a feature of this bill. But for some reason after two years they are no longer fair! So I would say to the Australian government: please listen to employers, please listen to what employees are saying and acknowledge that there will be significant economic and social benefits that will flow from extending these agreements beyond the global cut-off date of 31 December 2009.

This is especially the case with Labor’s much heralded no disadvantage test. If there is going to be a no disadvantage test, why is it not fair to have that continue to apply to individual agreements? Why is it not fair to allow an employer and an employee to have discussions one on one if they both desire, subject to the operation of a no disadvantage test so that we can maintain workforce flexibility? It is not only the coalition that is saying this. The fact is that the Reserve Bank of Australia Governor has made it explicitly clear that industrial relations flexibility is absolutely warranted to ensure that the Australian economy can deal with the challenges that lie ahead. When he was asked to what extent he felt that the flexibility that exists has been a significant part of containing wages growth, he replied, ‘It has been very important.’ He said that to the House of Representatives Standing Committee on Eco-

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nomic, Finance and Public Administration on Friday, 17 August 2007. As a former member of that committee, I recall that. I recall the Reserve Bank of Australia Governor making it exceptionally clear that flexibility was a very necessary part of a modern Australian economy.

The government likes to talk about Reserve Bank warnings. I say to the Australian government: recognise this Reserve Bank warning. The worst thing that you could possibly do is to remove workplace flexibility. The consequence of removing it will be a deterioration of economic conditions in this country and, as a result, we will see an increase in unemployment. That will all be laid at the feet of the Australian Labor Party for not having the wherewithal to acknowledge what is a very sound and reasonable amendment that the opposition is putting forward. Their obstinacy in this regard will cause a deterioration of economic conditions and an increase in unemployment. I am happy to be on the record as stating that. That will be the price that Australia pays for this blanket approach by the Australian Labor Party—not having the wherewithal to acknowledge what is a very sound and reasonable amendment that the opposition is putting forward. I am happy to be on the record as stating that. That will be the price that Australia pays for this blanket approach by the Australian Labor Party—that they will not even incorporate the amendment that the opposition has put forward. We are seeing it already.

Three indexes have come out: the Sensis business index, the Olivier index and Westpac’s confidence survey. The most concerning part is that we have seen the biggest deterioration of conditions in the recorded history of each of these indexes. How does the Australian government explain to the Australian people that business confidence has absolutely collapsed? How does the Australian Labor Party explain to the Australian people that business confidence has absolutely collapsed? How does the Australian Labor Party explain to the Australian people that confidence in the economy has collapsed, constituting the biggest fall in the history of the surveys? I ask the Minister for the Environment, Heritage and the Arts, who is at the table: how does the Australian Labor Party explain that we are seeing the biggest collapse in employment advertisements in the Olivier index? It is no coincidence. Index after index after index has recorded the biggest fall in the history of the surveys. Let that be a very clear warning to the new Australian Labor government—that when they start to meddle with these matters beyond what is reasonable and beyond what is called for in their dogged pursuit of an ideological bent, driven by people like the Parliamentary Secretary for Defence Procurement, the result will be a further continued erosion of business confidence and an increase in unemployment.

I warn the Australian Labor Party to take stock, to start to listen and to recognise that it is not appropriate to just pursue unions’ demands. Unions may have paid for the Australian Labor Party to get elected and they may be demanding their pound of flesh now, but I would encourage the Australian Labor Party, now that it has the responsibility of government, to recognise that you cannot just capitulate to the union movement; you have to make sure that you balance their demands with the very legitimate demands of the Australian working public and employers. The fact that the Australian Labor Party is not doing it yet is the reason we are seeing business confidence plummet. The fact that it is not getting that balance and that it does not recognise the legitimate need that the Reserve Bank has spoken about to retain flexibility as part of a modern Australian workforce is proof that such erosion of conditions will carry forward, and the consequence of that will be an increase in unemployment. I say to the minister for small business, who has not even spoken to this bill, that it is time he started being heard around the table when it comes to the Australian Labor Party. The member for Rankin needs to speak up and be an advocate for the 2.4 million Australian small businesses, because if he does not do it they will simply stop employing people in
the numbers that they were employing them before.

Mr Baldwin—He is not on the speakers list.

Mr CIOBO—I have just found out that he is not even on the speakers list. I say to the small business minister; put yourself on the speakers list; stand up for the 2.4 million small businesses in Australia that you are paid to represent; be an advocate for them; please provide clarity to them on what will happen with unfair dismissal. I predict that if he does put his name down, he will stand up in this chamber and wax lyrical about how the Australian Labor Party is talking to small businesses and has set up the Small Business Advisory Group. My concern is that it is only being done for show. Will the Small Business Advisory Group that the Australian Labor Party has established really be listened to by the Australian Labor Party or will it just be seen to be consulting? The small business minister has said, when he has spoken at a number of events, including a doorstop at the front of the House of Representatives, that he does not believe that there should be a uniform unfair dismissal code in operation in Australia. The small business minister has previously made it clear that he does not believe that there is any benefit from seeing a uniform small business unfair dismissal exemption.

That is concerning to me and I know it is concerning to Australia’s small business sector. That is the engine room of the Australian economy and the Australian Labor government ignore it at their peril. By all means, those on this side of the House understand that the Labor Party must serve their union masters, but understand this too: they must also serve the needs of the Australian people, both employers and employees. I urge the government to incorporate the coalition’s amendment to this bill, to maintain workforce flexibility, which is a fundamental part of a modern Australian workforce, and to please balance—not capitulate to—union demands that have been put upon them by a union movement that bought the last election.

Mr KELVIN THOMSON (Wills) (10.28 am)—It is just a little bit painful and embarrassing to watch and listen to members opposite sitting on the fence, twisting, as they agonise over whether to support Labor’s legislation or not. We are yet to hear a clear statement from members opposite as to whether they support Labor’s changes to the Work Choices legislation, whether they support our transition to Forward with Fairness or whether they do not. Clearly they are in the position of someone playing one of those pacman games where you get into a corridor and, whichever way you go, there is a monster waiting to eat you. If they decide to support our legislation, they will be seen by many as insincere, particularly given the tens of millions of dollars of taxpayers’ money they were prepared to spend during the last parliament, engaging in their scare campaigns and opposing Labor’s position. On the other hand, if they refuse to support our legislation they will be seen by many Australians as continuing to be out of touch with the Australian people. So they are all over the place. They do not know which way to turn, and we are yet to hear a clear statement from them as to whether they will support our legislation or not.

There was, indeed, no more important issue during the last election campaign than this issue, and I want to pay tribute to the Australian trade union movement and to acknowledge the role of the Your Rights at Work campaign in determining the election outcome. There were plenty of members of the Liberal Party who described the trade union movement as passe, out-of-date and going the way of the dinosaurs. Well, they
turned out to have a few teeth. In fact, what the Liberal Party needs to do is to recognise that there is an ongoing role for the trade union movement, that it is the case that workplaces are inherently unequal, that we do need a place for trade unions and that we need a place for a centralised umpire in order to ensure that there is fairness in the workplace. Over many years that has been a fundamental difference between the Liberal and Labor parties.

Those opposite believe in the unfettered freedom of contract. They have this naive or perhaps self-serving idea that employers and employees should be free to contract without any fetters whatsoever. Now the fact of that is that workplaces are an inherently unequal situation and freedom of contract means that employers say to employees: if you want the job, you will sign here. We saw it with the former government’s legislation. Without any mandate at all, the former government introduced the Work Choices legislation, and the consequences of that legislation were that employees lost their right to pursue actions for unfair dismissal and, therefore, employers could sack employees without giving any reason whatsoever. So the prospect of unfair dismissal was hanging over employees each time they entered the workplace.

Secondly, Work Choices was used as a battering ram for an attack on overtime and penalty rates. It is essentially the view of those opposite that workers ought to be available to show up for work any time and anywhere at the discretion of the employer, without any penalty to the employer attaching and without any recognition of, or compensation for, the hardship that that might entail. So if you are told to show up at 2 am on Saturday morning, according to many of those opposite, you should be paid the same rate of pay as someone working an ordinary nine-to-five week. That reflects no understanding of the impact of those kinds of arrangements on families, no understanding that workers are more than simply a cog in the workplace machine and no understanding of the role of parents in taking children to school or to sporting events on weekends and the like. That is what we saw with Work Choices.

In the process, the coalition ditched enterprise bargaining which was introduced under the Keating government. It was a Labor government that did away with centralised wage fixation. Enterprise bargaining proved to be highly successful. It was the springboard for much of Australia’s economic recovery through the 1990s and it was the springboard for much of our productivity growth and improvement. It recognised that workers and employers are engaged in a common enterprise and that it is in the best interests of a company to have negotiation at the enterprise level. But, instead, the coalition did away with that and said, ‘What we want is individual contracts.’

In so doing, they managed to apply a double standard. When we talk about executive pay, we always hear from those opposite of the need for us to pay top dollar in order to be internationally competitive and to provide proper reward for the best and brightest. You hear expressions such as ‘If you pay peanuts you’ll get monkeys’ et cetera. But when it comes to others in the workplace, when it comes to truck drivers, teachers, cleaners or shop assistants, they turn out to be only a labour cost, and we are at risk of inflation. So we have this double standard from those opposite, instead of an understanding that each enterprise is engaged in a common endeavour and that employers and employees should work together to secure the best possible outcomes for both of them.

The Australian people voted for change on 24 November—change which included the restoration of fairness in the workplace. The
Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008 begins that process by delivering on our promise to abolish Australian workplace agreements. Those AWAs cut protected award conditions. They created an imbalance in the workplace and undermined Australia’s sense of a fair go. It was the ideological invention of a party that had secured no mandate for this workplace reform but arrogantly imposed it on the Australian people. Just how out of touch the former government had become over the years was amply demonstrated by the member for North Sydney on *Four Corners* recently when he said that cabinet colleagues were unaware that workers could be worse off under Work Choices—if true, truly remarkable.

This bill represents a fulfilment of a promise which Labor made to the Australian people to deliver fairness and consultation back into the workforce. It is a bill whose contents were clearly outlined prior to the last election and which committed to rid Australia of all statutory agreements. Labor believe that we can have a fairer, simpler and more balanced workplace relations system in which there is no need for AWAs or statutory employment agreements. The essence of those agreements is that they override the safety net. We believe that we need a safety net. A modernised safety net means there is no need for individual instruments which can override it. Common law contracts represent a fairer alternative, and employees should always have a safety net which they can rely on. We believe that this system will be better for productivity and, therefore, better at negating and curbing inflation. We campaigned on this proposal, and we are now delivering on it.

I will give just one example of the kind of thing that went on under Work Choices. This example was provided to me by the Textile, Clothing and Footwear Union, which said:

> After many years of meeting employees in the lunch rooms, the union was directed to meet employees in a room adjacent to management, in clear view of numerous managers. Employees felt intimidated and many did not meet with the union. The room also did not have adequate facilities for employees to eat their lunch, and the union was directed only to meet with employees at lunch. This meant that those employees that did meet with the union did so for only a short amount of time, so that they still had time to eat their lunch. The TCFUA complained to the company about the situation concerning the room offered for meetings. The company rejected the union’s claims and has continued to refuse the union access to the lunch rooms. The last union meeting was held in the car park of the factory.

That is that kind of thing that Work Choices promoted. It is the kind of thing that we believe needs to disappear so that there can be a proper role for unions in the workplace. We think there is a proper role for a central umpire in the workplace. The vulnerability of textile workers and outworkers is well documented—it was acknowledged even by the Howard government—and I believe that steps need to be put in place to properly protect those workers.

I commend this legislation to the House. There was no more important issue than this during the course of the last campaign. This is Labor delivering on the mandate it has been given—unlike the previous government, which introduced Work Choices without any mandate or prior explanation whatsoever.

Mr SLIPPER (Fisher) (10.39 am)—It is interesting that the ALP has chanted Work Choices like a mantra and yet the principal element of Work Choices was a national industrial relations system. I have not seen any evidence that the new government intends to dismantle the national industrial relations system and go back to a situation where each individual jurisdiction in this country has its own industrial relations laws. The Workplace
Relations Amendment (Transition to Forward with Fairness) Bill 2008 has caused a substantial amount of debate in the coalition parties. As the Deputy Leader of the Opposition has said, the coalition does not intend to oppose the passage of this bill through the parliament. That does not mean that we support the bill; it means that we are not going to oppose it.

Right across the country, on 24 November, millions of people voted for the former Howard government supporting flexibility in the national workplace—supporting our industrial relations system—but, as we saw, more people voted in the other direction, with the result that, as in any democracy, there was a change of government. In my own area, Work Choices did not seem to be a major issue, but there is no doubt that the new government went to the people, prior to 24 November, and said that, if a Rudd Labor government were elected, Work Choices—in particular, the elements contained in this bill—would be abolished.

So we in the coalition find ourselves somewhat on the horns of a dilemma with respect to this bill. On the one hand, one ought to respect the mandate that the government received on 24 November, which does, as the Deputy Prime Minister said in her second reading speech, give the government the right—indeed, you might even say, the obligation—to bring in the changes supported by this particular bill. On the other hand, members of the coalition parties went to the people—as did the former government—on 24 November last year supporting the policy, and those of us who were returned to this place were returned on the basis of the policies that we espoused prior to the election. Therefore, that presents to us somewhat of a problem of a politically moral nature. On the one hand, do we stand up in the parliament and support the principles on which we went to the election, the principles on which we were returned to the parliament, or do we roll over and say, ‘Well, even though our constituents voted for Work Choices, the government, because it has more members, has the right to put its legislation through the parliament’?

I have a little difficulty with the position of the coalition. While the government does have an obligation to bring in this bill, on the other hand I would like to have been able to vote in the parliament on the basis of the principles on which I stood for re-election on 24 November: to vote for the policy which we introduced that sought to bring about flexibility, higher wages, higher productivity and an ability for people to be rewarded for initiative, enterprise and hard work—a situation that gave people the ability, in effect, to reap the benefit from being able to come to arrangements with their employers that suited their individual circumstances. One size does not fit all, and I hope that the government in the future recognises that individual employers and individual employees all have individual and separate needs and that a flexible system is very much the best way to go. However, we have decided that we are not going to oppose the passage of this bill. Consequently, when the bill passes both houses of the parliament, as it ultimately will, the government will be able to deliver on its election promise.

I would also like to say how unfortunate it is that the new government is seeking to demonise the very sound economic record of the former Howard government. The new government has tried to suggest that, in some way, shape or form, we were irresponsible in our spending and that is why we have seen this proposed attack on carers and the threat of closure or chopping of many of the very sensible projects that the former government sought to fund as a dividend for responsible economic management over 11 years. We have seen the Queensland Rugby Union, for
instance, suffer a withdrawal of promised funding with respect to improvements to that code in Queensland—and I think that is eminently undesirable.

We as a former government did a lot. We repaid $90 billion of Labor debt. We enabled our nation to hold its head proudly right throughout the world. We were able to make sure that Australia was respected and listened to in the economic fora around the globe. We were a government which sought to return money to individuals through reductions in income tax, because we believe that individuals have a right to spend their money, even though governments will often spend it more quickly. We sought to return individual opportunity to individual people.

I believe that the current government stands condemned for the way in which it has sought to suggest that we were as economically irresponsible as our Labor predecessors. I do not believe that is washing with the Australian community. Even though they voted for a change of government on 24 November, which sees this bill introduced, the Australian community does recognise that our government was probably the best government Australia has ever had. Having said that, this bill is a bittersweet proposal for the opposition. On the one hand, it seeks to overturn what was a key element of our industrial relations reforms, a key element which saw many of us on this side of the House returned because our constituents supported it. But, on the other hand, it is an opportunity for the government to implement an election promise, and any implementation of any election promise ought to be commended.

Ms SAFFIN (Page) (10.46 am)—I rise to speak in support of the government’s Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008, and I speak to it with some great glee. In speaking to Forward with Fairness, I need also to speak about Work Choices to give it context. You will be aware, Mr Deputy Speaker Andrews, that the people of Australia—and that means the people of Page, whom I represent in this place—had one of the most unfair, unjust, venal and ideological pieces of legislation thrust upon them, and it was called Work Choices. There was, I submit, no choice—no choice for workers, no choice for working families—when it came to the law’s application. It removed so many of the rights and safeguards that we need to have to make our workplaces fair. I doorknocked a lot of Page, and many people talked about Work Choices. They had many stories of woe and weal that need retelling here in this place. I told them that I would do it when I got here, and that is what I am doing today.

Work Choices was an assault against young people. It was an assault against working families, who seek some security to be able to look after their families, feed their families, pay their mortgages and have some enjoyment in life. Young people were in no position to bargain, and many young people would simply sign an agreement, an AWA, or pressure their parents to sign, just so that they could have that job. I had one family approach me telling me that their young son—he was 17, and he was present—had a regular working week of 39 hours by his agreement yet was working over 50 hours with no recompense or recognition of what he was contributing to that workplace.

I had another man contact me expressing concern about his wife, who worked in a local supermarket, about how she felt pressured to sign an agreement, an AWA, or pressure their parents to sign, just so that they could have that job. I had one family approach me telling me that their young son—he was 17, and he was present—had a regular working week of 39 hours by his agreement yet was working over 50 hours with no recompense or recognition of what he was contributing to that workplace.
telling on her family life, her home life and her health. Another person approached me. He worked in a local franchise business, and he told me how they were being pressured to sign an agreement that would bring them a few extra dollars—and I mean a few lousy extra dollars—but meant a lessening of conditions, increasing casualisation and more.

Parents and grandparents were deeply concerned, particularly grandparents. They were actually incensed, and many told me outright that they had previously voted for the coalition—in this case, where I live, the National Party—but would not do it this time, because of Work Choices. They told me that they felt bad that they were going to have their grandkids spend their working lives in a system that was less fair than what they had or what they fought for and that they felt that it was just very un-Australian.

My local university, Southern Cross University—and, I note here, the only university in Australia to be designated in law as a regional one—produced a report undertaken by researchers with Dr Sandy Darab, revealing findings that showed the combined effect of Work Choices and the last Welfare to Work changes introduced by the Howard-Costello government had a harsh impact on workers in the Northern Rivers region, leading to lower wages and reduced working conditions and entitlements. They cited the case of one young local man who was working 13-hour days without a break, without overtime or penalty rates and who, when he left that job, after being abused, could not get Centrelink payments for six weeks. That was inhuman, and it is not fair in anyone’s books. Another study showed that Work Choices led to less take-home pay for many—and, for women, up to over $100 a week. I ask: how could that make any workers or working families better off? It just doesn’t.

I cannot believe that John Howard is still trumpeting its value and virtue to our friends overseas. No-one here would give him a hearing on it, and he must know, unless he is completely out of touch, that no-one likes it. He refers to it as a piece of economic reform, which is bunkum. It was ideological reform and seemingly motivated by an intense dislike of trade unions, whereby workers and working families were the victims.

As some of the stories show, it was a major issue of concern during the election campaign. In fact, it was one of the major issues in Page, along with health, education, transport and climate change. It was up there—up the top. The previous National Party member there told us that it was good for us, as did the new National Party candidate. I was gobsmacked. It was one of those issues that put them on a hiding to nothing. We, the people of Page, are not stupid and to have your representative and the one aspiring to be your representative tell you that something is good for you, when you know it is clearly not, is galling. How could a law like Work Choices, which removed penalty rates, created more staggered working days, lessened conditions and, yes, lessened take-home pay—and this impacted more on women—be good for us? Our election commitment was to get rid of Work Choices—and this was applauded by the community—and importantly to introduce a system of workplace laws that are fair and cognisant of our modern economy. I have to commend the Deputy Prime Minister for the good work she has done to come up with the right policy mix so that Australia can have an industrial relations system that we can be proud of. I note that we wasted no time in getting this bill before the House, doing so at the outset of the first sitting of this place. This bill is the first step in abolishing the former government’s Work Choices laws, which the people of Page and, indeed, the people of Australia voted to get
In accordance with the Rudd government’s pre-election promises, sensible and necessary transitional arrangements have been implemented to allow those employers and employees who have been using AWAs to prepare for the full implementation of the government’s new system in January 2010. Employers using AWAs as at 1 December 2007 will be able to offer individual transitional employment agreements to existing employees on AWAs and to new employees. Individual transitional employment agreements may not be used to strip existing employees of their collective agreements. This bill will ensure that all agreements approved by the Workplace Authority pass a true no disadvantage test against the full applicable award or for the ITEAs the full applicable collective agreement in the workplace if there is one. This bill allows for the commencement of the award modernisation process. The Australian Industrial Relations Commission will be requested to create modern awards that are simple and easy to understand and apply. One of the major concerns of local small business was that it was too complicated for them and that it created more of a burden for them. Together with the National Employment Standards, modern awards will form a part of the safety net for working Australians under the government’s new workplace relations system.

Finally, this bill abolishes the Howard government’s so-called fairness test, which I submit was anything but fair. The fairness test failed to protect working Australians because it did not protect all award conditions and did not require employees to receive full compensation for the loss of the limited number of so-called protected award conditions. It gives me delight to commend this bill to the House.
Econtech did an analysis for the Australian Chamber of Commerce and Industry, and they found that the industrial relations reforms since 1993 had contributed to a decrease in the structural unemployment rate of at least 1.77 percentage points. It had also, over that time, increased labour productivity by 1.4 per cent. It is very important that, with any changes to the labour market, we do not go back to the bad old days when we had a centralised wage-fixing system, because that contributed to no real rises in wages and very poor productivity outcomes.

As a result of the low unemployment rate and the strong economy, it is absolutely critical that we provide flexible employment conditions for employees. Flexibility in employment arrangements was recognised by the former coalition government and is critical to the continued growth of the Australian economy. It is critical to Australia remaining competitive within the global marketplace. Australia faces a number of challenges in the future. These challenges include skill shortages, the ageing of our population, much slower workforce growth in the future, uncertainty in global financial markets and the rising price of things like petrol.

After almost 16 years of the economy expanding, there are a number of capacity constraints which may place additional pressures on inflation. This is not a surprise to anyone. The former government was well aware of this. We faced the challenge of how to grow the economy fast. We were in a position where we were able to have unemployment below five per cent, to have the economy growing strongly and to have inflation within the two to three per cent band. The Assistant Governor of the Reserve Bank of Australia, Malcolm Edey, indicated in his talk to the Committee for Economic Development of Australia, CEDA, on 19 February, that evidence has arisen regarding very high recent wages growth. Mr Edey believes this played a role in the recent rise in inflation. The Australian Bureau of Statistics wage price index for the December quarter, published on 20 February 2008, clearly indicates higher wages growth. Bureau figures show a rise of 1.1 per cent in the last three months of 2007, contributing to an annual increase in the index of 4.2 per cent. Whilst that level is still below the 4½ per cent viewed by the Reserve Bank as the danger level, Labor must ensure that undue upward pressure is not placed on wages. In a context where inflation is running high, it is very important that we do not do anything which is going to lead to a wages breakout, because that would be very damaging to the economy.

There is also evidence that union pressure may further exacerbate this wage pressure. The unions are campaigning for additional wage rises above CPI in order to counter increases in the cost of living. Sharan Burrow, for example, spoke on ABC radio to lobby on behalf of the ACTU for wage increases equal to 3.8 per cent, which is above the current CPI level. This gives a clear indication already that the unions have not heeded the government's call for the restraint needed to reduce inflationary pressure and that they will continue to place pressure on the Labor government for these wage rises. That is why it is very important for us to know what advice the government has received about the economic impacts of these changes to workplace relations. What are the impacts on inflation? What are the impacts on productivity? What are the impacts on jobs growth? What are the impacts on unemployment?

Without flexible employment provisions, we will see an exacerbation of inflationary pressures, which will lead to increased interest rates, higher rent and higher grocery prices. Any increase in wages will be absorbed by higher prices as a result, leading to the situation that we had under the previous
Labor government where there was no real rise in wages. The coalition is committed to the Senate inquiry, as this will ensure the appropriate scrutiny of this bill. It will also outline any likely consequences that may arise as a result of these changes. Changes of this magnitude cannot be rushed in without due consideration being given to their impact on employees, employers and the broader Australian economy as a whole. Whilst WorkChoices is no longer opposition policy, the opposition are firmly committed to ensuring flexible employment conditions are available for Australians. This is absolutely critical to our future competitiveness and to providing jobs for people who want them.

As such, the opposition support the introduction of the new individual statutory agreements proposed by Labor in this bill and strongly encourage Labor to support our proposed amendment. This amendment proposes an extension to the usage of individual statutory agreements, removing the global expiry date of 31 December 2009, thereby creating a more flexible situation for employers by granting them additional time to prepare for these changes. By extending the duration of ITEAs to five years from the date of approval, business has more time to prepare for the changes. As the no disadvantage test applies to these agreements, workers are provided with a safety net, whilst employers will benefit from having more time to prepare for the changes. The provision of the no disadvantage test provides an assurance to Australian employees that they are employed under fair conditions. This is a very reasonable amendment. We believe that there is a need for choice in agreements. Some people will have a common-law agreement; for some people, a collective agreement will be more appropriate. But it is absolutely critical that we do not go back to the bad old days when we had labour market arrangements which contributed to unemployment being much higher than it needed to be and productivity being much lower than it needed to be.

I think it is also critical that we know what advice the government has received as to what will be the impact of this legislation on inflation, on productivity, on economic growth, on workforce growth and on unemployment. My concern is that any winding back of the clock on industrial relations to where we were in 1993 will have a detrimental economic impact on this country. As I said before, the Econtech report that was commissioned by ACCI last year is the definitive work on economic modelling of labour market flexibility. What it showed was that the increased flexibility of the labour market saw rises in labour productivity and a reduction in the structural unemployment rate.

So the opposition has some concerns about this, principally from the point of view of what the economic impact of these changes will be. We will see what they are. As I said, we may be at a turning point now, because the government has an unstated policy of reducing growth. As a consequence we will see an increase in unemployment—we will see an increase in the numbers of people out of work. That will have an enormous human impact for those people who will be affected by this government’s policy. Having made my remarks and indicated my support for the proposed amendment, I thank the House.

Mr SIDEBOTTOM (Braddon) (11.10 am)—I am very glad to support the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008, because it goes to the heart of something that I and many of my fellow Labor colleagues in this House—I particularly note the minister at the table, the member for Sydney; and my colleague in the chamber, the member for Ballarat—campaigned on well before the elec-
tion last year: a fair go. It is another example of the Rudd government delivering on its election commitments. This is one of the major promises made to this nation ahead of last year’s election. As others have already said, this amendment is all about a transition to Forward with Fairness—or, again, quite simply, a fair go.

This amendment bill is all about restoring the balance which was thrown completely out the door by the former government with its unfair and regressive Work Choices laws. Unlike the doublespeak used by the former government, where, you may remember, colleagues, the nature and intention of a bill was given the opposite description in the bill’s title—such as Work Choices, where there was in fact no choice—this amendment bill does exactly what it says it will: allows for a transition to introducing Labor’s Forward with Fairness workplace relations system.

John Howard’s Work Choices system, for which he had no mandate, sought to create a second class of worker, one he and those opposite thought should just be grateful for having a job and should put up with whatever they were offered. But that is not what this country is all about, and Australians voted convincingly in November for a fair go at a future for themselves and generations to come. They were convinced that Labor had the best interests of the people of Australia at heart and would do what it said rather than just doing what it wanted with an arrogant born-to-rule style, which the previous government adopted so quickly and the rump of relics in this place still manifest in their demeanour, body language and catcalls from the bleachers.

This amendment bill will put working families back on a fair and level playing field and allow them to undertake a fair day’s work for a fair day’s pay, without the fear of losing even the most basic conditions of work that Australians have enjoyed for decades and which have helped this country to thrive and grow. I speak in particular on behalf of the young people of my electorate of Braddon, who deserve a fair go when they look to join the workforce, and to join it knowing that they have someone looking out for their interests, someone to give them a fair start. Under Work Choices they were left out in the cold, despite all the reassurances of Mr Howard and his minions—left to take whatever they could get if only to get a leg-up into some sort of work. They had to hope that one day they would develop the experience, the tenacity and the skills that would give them a chance to have some sort of decent pay and conditions. But this new fair go in the workplace will help them become enthusiastic and innovative young job seekers, willing to get in and have a go and work under the ideals this great country was built upon. They should be able to make their mark in the workforce without having the shadow of Work Choices hanging over their heads, knowing that they are not burdened by an unfair and unjust set of rules which gave them little or no protection, which left them with less than even basic conditions to reward them for their efforts. The former government argued that the workplace needed to be reformed to allow business to move ahead, but I would contend that a workplace is a much more effective and efficient place when its most vital component, its people, are happy and feel secure. We hear almost daily about the lack of skills, which is looming as a greater threat to many businesses and industry, but without even the most basic of conditions, what incentive was there for young people, and even those more advanced in their working lives, to have a go and improve their skills?

This bill will also help to restore the balance for people like Allison Adkins and Ellen Speed, two hardworking people from my
electorate, who became a graphic example of just how callous and uncaring the Howard government’s unmandated Work Choices legislation could be. Both these women were dedicated and long-serving employees of a video rental company, Allison working in Devonport and Ellen in Burnie. They were sacked last year, on 14 March, without any real explanation. They were later told in a lawyer’s letter that the sacking was for so-called ‘operational reasons’, despite never having anything like a performance issue with their employer.

Their problem, under the Work Choices system, was that they chose their union to represent them and refused to sign an Australian workplace agreement. These are not highly paid employees or people looking for some huge advantage over their fellow workers. All they wanted was to stay on the conditions they had worked under for a long time and keep working at a job which they enjoyed and which suited their own lifestyle. Allison and Ellen were protected by Tasmanian legislation but, as soon as Work Choices came into force, they were effectively shown the door.

Work Choices gave the green light for employers who wanted to exploit workers the chance to do so. But Allison and Ellen refused to go quietly, and the Liquor, Hospitality and Miscellaneous Workers Union are currently fighting on their behalf, having lodged a complaint with the Federal Court. We hope that this example—just one of many, I am sure—will resolve in their favour and they will be able to put it behind them and continue on with their lives. Allison and Ellen certainly were not protected by Work Choices and its so-called fairness test, examples of which we saw yesterday unravelling in this House.

This bill abolishes the Howard government’s fairness test, which did little or nothing to protect working Australians. The test did not protect all award conditions and did not require employees to receive full compensation for the loss of a limited number of so-called protected award conditions. And do not let the opposition tell you that this is about belting employers, many of whom are doing everything possible to create employment and reward innovation and effort.

For those who, in good faith, have set up an agreement with their workers, there is protection and time for a change to the new system, a time to again join with their employees and together find a solution for all parties. Some major employer bodies have already said they are content with the transitional agreements as they exist, and some have gone even further. The Australian Chamber of Commerce and Industry commented that the government is entitled to stick to its position, while the Australian Mines and Metals Association said its negotiations with Deputy Prime Minister Gillard marked a ‘new high point in consultation in IR terms’. That was certainly something that was missing with the introduction of Work Choices and the non-mandated legislation that affected so many workers in this country. Chris Platt, General Manager Workplace Policy, of the Australian Mines and Metals Association, said:

From our perspective, the Government has done what it said it was going to do; no more, no less … We accept that they’ve got a mandate to remove AWAs and they’ve done so.

Heather Ridout from the Australian Industry Group says that the transition bill is balanced and workable, which should come as further encouragement for employers to work with the government. This transition will not be rushed, with plenty of time between now and 2010 to see the new system come into operation. I understand this change has not come without concern to employers, some of whom have already contacted my office to
pass on their feelings and issues. They feel their businesses may be threatened or their growth impacted by these changes. We must do something to return us to an even playing field, not the minefield created by the Howard government. The new system allows for flexibility to take into account the many and varied businesses that exist out there. It recognises that work is not just from Monday to Friday and from 9 am to 5 pm. It also gives people the certainty that they will be able to have a life outside work. This bill has not been dreamt up overnight.

In April last year the Labor Party published their workplace relations policy, something the entire electorate had many months to digest and take on board before last November’s election. By August, the implementation plan was released. It repeated the plan to abolish AWAs and set out our plan to go forward together. Right across the campaign, everyone on this side of the House was available to explain the policy in every corner of Australia. Ultimately and decisively, the people of Australia cast their vote on the future of the nation’s industrial relations.

The Rudd government are committed to working with both employers and employees, who will both play an important role in the new workplace relations system. Our aim is to avoid the uncertainty and complexity which came through the previous government’s change to Work Choices, with many people on both sides still unsure of where they stand and stood. The new bill will see an end to Australian workplace agreements, but employers will be able to make transitional agreements while awards are modernised. These transitional agreements will come with a no disadvantage test, which will also apply to any new collective agreements. This will end the compliance nightmare that was created by the backlog of agreements that has piled up under the fairness test changes which were, again, alluded to yesterday. Workers and employers will be able to make an individual agreement, but this will only be able to be built on and will not override the safety net which is offered under the new system. This will look at maintaining the basic provisions, including hours of work, parental leave, flexible work for parents, annual leave, personal leave, carers leave and compassionate leave, community service leave, public holidays, information in the workplace, notice of termination and redundancy, and long service leave.

Individual transitional employment agreements will be available to employers who had AWAs in place as at 1 December 2007. These employers may use these agreements to employ new employees or for existing employees who were employed on AWAs. It will give them time to transition to the government’s new system.

In conclusion, the new laws will not allow employers to pull the rug out, unlike Work Choices’ one-sided provisions that enabled employers to unilaterally terminate a collective workplace agreement which had passed its nominal expiry date and return their staff to limited minimum standards. These provisions will be repealed.

Under the bill, a collective agreement will only be able to be terminated where the parties agree. No longer will employees like Allison Adkins and Ellen Speed, and thousands of others, be left out in the cold. It will also give employers the protection from unfair action from workers and the chance to work with them to gain efficiency and productivity. They will not be forced to follow other workplaces down a track which does not suit their individual systems or circumstances. An employer and an employee can work together to see each other prosper. This bill is about bringing fairness and balance to
the workplace. It is about a fair go for everyone.

Mrs HULL (Riverina) (11.22 am)—I rise today to speak on the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008. I welcome the member for Braddon back into the House. When the member for Braddon was last in the parliament in opposition you could always rely on him to be keen to put as much negative spin on things as he possibly could. I see that his form has not failed him whilst he has been out of the parliament. So welcome back.

Although we are supporting the bill before the House today, an amendment will be moved by the opposition that I believe deserves consideration. The government is looking to make a number of changes to the framework for workplace agreements to enable the commencement of a process of what it believes to be award modernisation. Some of us might think modernisation may have happened in the last parliament. The bill sets out Labor’s proposed new system, which is built on a strong safety net of 10 National Employment Standards for all employees. I certainly agree with and applaud the government for that. The bill also has within it a simple, modern award system that appropriately protects award-covered employees while allowing greater flexibility, we are told, for higher income employees.

The Labor government has decided that Australian workplace agreements will not be made after the commencement date of the bill. Most people would now know, because AWAs have been in place for so long—in fact, they were introduced in 1996—that an AWA is an individual written agreement between an employee and an employer that sets out negotiated terms and conditions of employment. An AWA is sometimes undertaken with an advocate, sometimes with a union delegate or sometimes with a husband, wife, mother, father or whatever. An AWA sets out the agreement made between an employer and an employee and, in the main, it benefits both parties. In this bill there will be transitional arrangements providing for AWAs and collective agreements made before the commencement date of the bill to continue in operation under the most current rules. I am thankful that that is to be put in place. Individual transitional employment arrangements, ITEAs, will be put in place to cover off this period. They will have a nominal expiry date of no later than 31 December 2009. From 1 January 2010, Labor’s new National Employment Standards and its modern, simple awards will be in operation and there will be a need for an individual statutory employment agreement. I support the ITEAs because they provide security for workers and businesses and those people who in good faith embrace, support and enjoy being on an AWA. In my experience, the majority of people who have embraced AWAs have enjoyed the conditions that they negotiated. I support the ITEAs for giving the workers on AWAs the certainty of their transition. The opposition amendment, however, goes further by extending the nominal expiry date of an ITEA from 31 December 2009 to five years from the date of approval and it most certainly deserves support.

It is assumed by the new government that all workers on AWAs are unhappy. That is simply not a correct assumption. It is simply unfair to force something on people who are entirely happy with the negotiations that they undertook in good faith and that they waited for so long to be put in place. If they live in a place that has a lack of childcare services and support, an AWA gives the worker an opportunity to negotiate flexible working hours so that their children can be with their partner, husband, wife or a childminder. The flexibility of that workplace agreement gives them the opportunity to be able to structure
their workplace environment and working hours around myriad issues. They may want to do another degree. They may want to undertake further tertiary education. An AWA gives them the flexibility to be able to encompass that degree within their general working capacity. The employer is getting out of the employee what they require and the employee is being responsible to the employer, and this most certainly has worked in many instances across my electorate.

I have stood firm on AWAs since their introduction, because so many young people in particular have approached me about getting greater flexibility and opportunities in the workplace. Gone are the days when we made laws because we were a Christian type of nation and we made laws that allowed for Christian worship and family activity on Sundays. We used to make a workplace shut down on Saturday afternoon and not open again until Monday morning. These were the last bases of power, awards and issues in an antiquated system that simply was not reflecting the changes in the workplace that had taken place over many, many years.

During the last election I did not step back from the industrial relations change that the government had undertaken. It was part of the government’s policy, and I saw an enormous amount of support for it coming from my electorate. Yes, there was voter concern, primarily because it was very hard to explain the awards in a nutshell. I honestly believe that I am correct in stating that, prior to the changes to industrial relations that the former government made, there would have been very few people in the workplace who understood what their pay was made up of. They would have had no idea what discussions had taken place to constitute the award that they were working under, how their award was made up or how employers had reached decisions about the remuneration that they were receiving. And yet, when the new industrial relations system was put in place, it was determined that everything was on the table and that everything was transparent—as it was. Yet it was so confusing. I put a challenge out to the Australian people and the current government to provide me with evidence that the average person under a retail award knows how that award was made up. You go for a job, you get pay put in front of you and you either accept the pay or you do not. There is no breakdown of how that pay was determined or what sorts of discussions led to the pay in front of you. Of course, we are going back into that system where the employee is totally in the dark.

During the election last year a 39-year-old father of two children specifically said to me: ‘Since I entered the workforce I have been involved in EBAs with banks, financial institutions and major multinational institutions, including a Woolworths supermarket, and I have never once understood what constituted my award rate. I was merely given notification of my pay by a union, and I was given no opportunity to negotiate or enter into any discussion on that. It was simply provided to me. I had no knowledge of how the figure was determined.’ There is the view that, before industrial changes were made by the last government, everybody understood what made up their pay packet each week, and that simply is not the case. Again, in the future very few people will understand how their pays are made up.

Whilst the Australian people told the former government last year at the election that they did not support Work Choices—and the now opposition has heard that message and agreed that Work Choices is no longer a part of the policy of the coalition in opposition and will not be the policy in the future, for debate or discussion—I do want to concentrate on AWAs. It was construed all the way through the process that AWAs were an integral part of Work Choices, which is simply
not the case, and they have been blamed for far too many things, I believe. There were employees in the Riverina who supported and embraced AWAs, as I have indicated, and individual agreements. In the Riverina electorate in May 2007 there were over 1,500 people on AWAs, and right up until the election that figure was growing; people were entering into them every day.

I remember one business operator in the wine industry who told me that all of their employees were now on AWAs. When AWAs came into being, the owner of this very large wine business approached me and asked: ‘Will we be forced to put people on AWAs? We don’t really want to do this.’ I said, ‘You don’t have to if you don’t want to.’ But, in fact, they ended up being forced into it by default because their employees went to them en masse seeking AWAs. They recognised that harvesting in vineyards required a variance of times and that during vintage it was extraordinarily difficult to meet the hours. Yet they could do those hours in busy periods and negotiate in their AWAs to do other things in slower times. Before, they were not able to do that. They had to meet vintage times and their general working hours strictly. In fact, the only person that stood out was the union organiser on those premises; he did not go on an AWA. But by the time of the election he had seen how people on AWAs were earning much more money, had much more flexible workplace arrangements and could do the things that they wanted to do. He approached the owner of the winery and sought to be put on an AWA. He could see the benefits. AWAs have been criticised and have been very rarely understood. Nobody is prepared to get up and tell it like it was. I went to the last election strongly supporting Work Choices and AWAs—and let me say that not all of the people in my electorate opposed AWAs. In fact, from March 2006 to May 2007 there were 465 new AWAs signed, and prior to that the total stood at about 1,100 AWAs.

The Labor government has stated that AWAs have been used to undermine the award safety net, another one of the least used industrial instruments in Australian workplaces. Fewer than 10 per cent of Australian employees had AWAs, yet AWAs have been blamed for undermining a system right across the nation. People take a lot of poetic licence in their allegations in this House. It is absolutely the truth that, in the main, workers on AWAs earn, on average, twice as much as those on awards.

I heard the electorates right across Australia saying they were not happy with Work Choices, they were not happy with disruption in their workplace and they were concerned with and confused by what was happening. I was never happy with the government’s advertising prior to the last election. It was not effective. The unions had a fairly big television ad campaign as well. There was a big advertising spend during the election on confusion and misinformation. The Liberal Party spent $14.3 million and the Labor Party spent $13.9 million. But there were added benefits for the Labor Party. The ACTU spent over $10 million on supporting the new policies of the then opposition and on opposing the policy of the then government. That included more than $8 million spent on television and radio advertising. Collectively, 41 other unions spent over $10.8 million on the campaign to prop up Labor’s propaganda exercise and strategy and on decrying the former government’s policies. The Nationals spent a meagre $1.3 million and, along with that, there was the major spend on the advertising that the government commissioned.

So you can understand why people were so confused. Their heads were spinning. They did not know which way to turn, what to do or who to believe. In fact, the situation
we have is the result of enormous confusion. I honestly do not blame the Australian public for not knowing what to do and moving in the decisive way they did. It is one of those issues that we could have handled much better. But I want to support those people on AWAs through a transition period. I support an extension of the ITEAs to genuinely enable people to get flexible working arrangements. This will assist families, parents, carers, mature-age workers, people with disabilities and others to engage in the paid workforce and maintain their attachment to the labour market whilst being able to attend to their general duties and other influencing factors in their lives. Indeed, I also support the employers, who, in the main, have done a sensational job of keeping employment high, moving forward with the times, embracing change and ensuring that, in most cases, families were looked after.

Mr HAYES (Werriwa) (11.42 am)—I am very happy to be here today to support the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008. After my time in opposition, there would not be many in the House who would be unaware of my absolute objection to the extreme industrial relations laws brought in by the former government. This bill is about bringing back fairness and decency. It is going to replace the regime that pitted worker against worker and mate against mate. It is going to move us to a balance of fairness for employees and opportunity for employers. This bill is the first step in abolishing the former Howard government’s unfair, unjust and unpopular Work Choices laws. I support the member for Riverina’s comment that the people of Australia got it right when they threw out the government on the basis of these laws.

People suffered grievously under the laws that the Howard government brought in. Let us look at the statistics from the Workplace Authority, a federal government authority that forcibly employed their own staff on AWAs. In the AWAs they surveyed they found that 100 per cent removed at least one protected award condition, 63 per cent cut penalty rates, 64 per cent cut annual leave loading, 40 per cent cut rest breaks, 51 per cent cut overtime loading and 36 per cent cut declared public holidays. That is not bad from a government agency—although that survey result had to be prised out of them. After that, the former Minister for Employment and Workplace Relations never again required the Workplace Authority to produce any further material on AWA surveys. The government did not want that result out in public. The fact that it got leaked to the newspapers was an embarrassment, and the fact that it was compiled and published by the government’s own department was fairly ridiculed by the Australian public.

The fact is that under the previous government’s extreme industrial relations laws workers were not better off. There was an overall reduction in their rights in the workplace. I will put this into the context of Werriwa and how it affected my electorate. There are the voices of people such as Reinaldo Martinez, who was sacked while on sick leave. He was sacked over the mobile phone in his car, by the way, in front of his family. There is Mr Reynaldo Cortez. He was offered a take-it-or-leave-it AWA that cut his take-home pay by up to $200 a week. He was employed by Lipa Pharmaceuticals, a rather large organisation in my electorate. What I discovered, after looking closely into this, was that it was true that he was offered a take-it-or-leave-it contract. He was told that if he did not sign the contract there were plenty of other people that would. For this man, who had a wife and five kids to support and a mortgage, it was a cut of about $200 a week. Do you know why they did it? Because they could. The company maintained
they were not breaking the law. They did it because they could; it was legal.

Similarly, take the Esselte workers. These very low paid workers were on a 12-week strike at the plant at Minto. Do you know what their crime was? They asked for a collective agreement. Their employer said: ‘We’re fine to have AWAs; it is what the government wants us to have. That’s what the regime is.’ No doubt this company was also looking at government supply contracts. Don’t forget that the former government made it a procurement and tendering requirement that people comply with the government’s industrial relations regime—so that company needed to offer AWAs. It was much the same as when the former government tried to leverage education. They made it mandatory in education. They said, ‘If your university doesn’t offer AWAs, don’t put your hand out for federal funding.’ That happened in my electorate with the University of Western Sydney. I know precisely their position when it came down to it. They had their hands tied. Being a university that required federal funding, they were forced by the former government to advance the Howard government’s industrial relations line.

These laws were so unpopular—and those on the other side know that. They have just had a lot of their friends and colleagues cut because they stood fast on John Howard’s industrial relations laws. When I was at community morning teas, passing people in the shops or at railway stations in the morning, people would often come up to me and talk about these laws. They were not always talking about what they meant for them personally. One of the things that constantly came up when people came up to me in my electorate was concern about what the laws meant for their kids. For the older generation it was concern for their grandkids. I would hate to let you guys opposite into a little secret: so many people actually came up to me and said, ‘We’ve never voted Labor before but because of what this Howard government has done in terms of industrial relations, we are fearful.’ They were fearful of what this meant for industrial relations and the workplace environment that their kids and grandkids were going to move into.

I have cited a couple of instances from the backblocks of Werriwa for which I know the facts. As a matter of fact, I actually raised them in parliament. I asked the then Prime Minister on numerous occasions about those very examples. He was always going to get back to me but never did. The trouble for those opposite is that the Australian people got back to the government and let them know clearly what they thought about the industrial relations laws.

During a survey that I conducted in my electorate it was discovered—and this finding was actually published by each of the newspapers in my electorate—that three out of four households indicated concerns about the impact of Work Choices. There might have been a variety and a degree of concern, but three out of four households in Werriwa indicated concern. By the way, invariably—this goes to what I said about what people would come up to me and talk about—one of the things that came up in that survey was concern for the rights of kids and grandkids as they moved into the workplace. Does anyone in this place seriously think that young people are simply going to take jobs and have the ability to go to an employer, whether it be a multinational or not, and dictate their own terms and bargain as equals?

Mr Deputy Speaker, you and I knew that was never going to happen. But that was the rhetoric that the then minister for industrial relations and the former minister for industrial relations tried to put out. We all knew that was never ever what it was about. It was about giving the employer the right to be
able to pay, for the first time in this country’s history, below-award rates of pay and do it legally. That is precisely what occurred.

Take the statistics that I referred to earlier, the ones that were produced by the Department of Employment and Workplace Relations. They show why the former government is so embarrassed about all of this. Its own department produced those statistics. In other words, its department was saying: ‘Government, with what you did in introducing Work Choices you actually achieved your results. This is what happened in all of the AWAs that we looked at.’

The Forward with Fairness legislation will actually bring fairness back to Australian industrial relations and the workplace. It will provide a positive balance. It will not restrict employers’ ability in employing labour. It will re-enshrine in Australian workplaces that employees do need to be treated with fairness and decency. It will establish a new no disadvantage test, which will be applied to existing AWAs and individual transitional employment agreements—ITEAs—so that employees will be no worse off than under collective agreements or, alternatively, the relative award or Australian fair pay standards. This is a real no disadvantage test, not like the fairness test imposed by the former government. On numerous occasions we saw people being paid below award and agreement levels under the so-called fairness test imposed by the former government, a test which they brought in very late in the day. They brought it in simply to try to gain some form of electoral success.

I would like to speak a lot longer on this subject. It is one that is very much near and dear to my heart because I have kids in the workplace. I know that a number of colleagues want to say their two bob’s worth on this, so I will cut my speech short. I fully support this bill. This bill reflects what the Australian population sought, and this government is committed to delivering on its undertaking to it. I commend the bill to the House.

Mr KEENAN (Stirling) (11.52 am)—It is an unexpected pleasure to be able to talk on the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008 today. I do not have a lot of prepared remarks and I do not doubt that there will be somebody outside the chamber scrambling to find our next speaker. The issues in respect of the bill were certainly raised with me by my electorate during the election campaign. I take the member for Werriwa’s point. The coalition parties are aware that the Australian people passed judgement on the WorkChoices legislation in the 2007 campaign, but I will place it on the record that in Western Australia the climate was quite different. I listened very closely to the member for Riverina, and I would say that the idea that everybody is against having flexibility in our workplace is completely false. The reality is that we have an extraordinarily tight labour market at the moment, and the complaints that I get from employers in my electorate are about their inability to find labour. We talk about a skills crisis in Australia, but what we really have is a labour shortage as a result of record low unemployment.

Employers are very keen to work with and keep their employees; in fact, it is a business requirement to keep your employees happy and to do what you can to keep them. On the opposite side, we often have a view of industrial relations that harks back to an earlier era. I do not think that we now have a situation where the bosses are out to screw their workers; what we have is a workplace that is a far more collaborative place than it would have been in decades gone by. Employers and employees work together to get the best out of a business because, if a business is
working well, both the employers and the employees benefit.

I come from a family that has always relied on a small business to maintain an income. When I was growing up, there were certainly times when that family business paid its employees but there was not a lot of money to bring home for the business owners themselves. We prided ourselves on working extensively with our employees. Good employees were prized, of course, and that family business took very good care of the people who worked for it. This is the nature of industrial relations in Australia now. It is not some sort of system where the bosses are out to screw their workers; the situation has largely changed.

Mr Deputy Speaker, I note that our next speaker has entered the chamber, but I am not sure by which mechanism I might pass the call to him. If I may, I will defer to the member for Menzies so he can continue his remarks on the bill.

The DEPUTY SPEAKER (Hon. Peter Slipper)—I thank the honourable member for Stirling. The calling of the next speaker is a matter for the chair. If the minister at the table has no objection, I will call the honourable member for Menzies.

Ms Plibersek—I have no objection.

The DEPUTY SPEAKER—On that basis, I call the honourable member for Menzies. I thank the minister.

Mr Andrews (Menzies) (11.56 am)—I rise to speak on the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008, which is before the parliament. Can I say at the outset that the government’s rhetoric in regard to workplace relations is entirely misleading. What they say is that this is about the abolition of Work Choices. That is not right. The first measure contained in Work Choices was to establish a national system of industrial relations. It was a recognition that having separate state, federal and territory jurisdictions—something that may have been appropriate at the time of the creation of the Commonwealth of Australia and the Federation—was no longer appropriate as we moved into a new century. The days in which trade between the colonies was something that occurred by horse and buggy and subsequently by steam train and the car are a far-flung distance from the Australia of today. Trade is not only between states and territories; increasingly we are part of a global environment, and Australia’s future rests largely with the place that we take in that international system of trade.

The central precept of Work Choices, therefore, was to have a national system of industrial relations—something which the labour movement resisted all the way to the High Court of Australia, saying that the basis upon which a national system was being established by the then government was unconstitutional. They lost that case in the High Court, but today we see a reversal of that position. The Labor Party, the Labor government, is now proposing to maintain a national system of industrial relations in Australia. So the rhetoric that is being used in this regard about the abolition of Work Choices is simply not correct. The central precept of the legislation will remain so far as the ALP is concerned.

We have also heard a lot about a mandate theory of politics since the federal election. Indeed Mr Rudd was claiming a mandate on this and even threatening a double dissolution if the legislation was not passed. The Minister for Employment and Workplace Relations, Ms Gillard, was saying it is a yes or no question without any shades of grey. Yet I seem to recall a different approach to the parliamentary process when the Labor Party was in opposition. Year after year after year, the Australian Labor Party rejected
changes to the job-destroying unfair dismissal laws that the coalition had election after election repeatedly promised to change. Indeed the ALP voted against changes on more than 40 occasions over a number of parliamentary terms. In my belief the so-called mandate theory is just a device to avoid discussion about the proposed changes. At worst, it demonstrates a bullying tactic for which the Labor movement is renowned. This is not just the repeal of certain sections of Work Choices but indeed the beginning of a radical re-regulation of the workplace.

This bill has four major elements: firstly, it introduces a new safety net; secondly, it seeks to abolish individual statutory agreements, Australian workplace agreements; thirdly, it creates a new transitional statutory individual agreement, the ITEA; and, fourthly, it seeks to modernise awards. In relation to that fourth element, the modernisation of awards, I say to the government: good luck. Processes have been underway for some period of time through the Industrial Relations Commission to seek to rationalise and modernise awards. As one of the Labor senators indicated just in this last week, as I recall, how do you modernise and streamline awards without either reducing wages in some categories or increasing them in others? That will be a task for any serious project in terms of modernising awards that does not add to further wage inflation within the country.

The first element of this bill is to introduce a new safety net. The history of this is that we used to have what was called the no disadvantage test, in which there were 20 matters against which an agreement, whether individual or collective, would be judged. If those 20 matters were not found to be met in the agreement in question then there was the ability to reject that agreement. The Work Choices legislation changed that and replaced the 20 allowable matters of the no disadvantage test with a new Australian Fair Pay and Conditions Standard, which had five essential matters. The Labor Party say that five is not adequate and in fact in this legislation what they are proposing is a new safety net, not reverting to the 20 original allowable matters but reverting to 10 new matters. So what they have said is: ‘We’re not going back to the 20. We don’t like the five as being adequate, which the former government put in place, and so we’re going to have a new no disadvantage test—a new safety net, in other words—of 10 matters.’

Secondly, they say that this new safety net will apply to all agreements in the future. It will apply to a collective agreement, whether that agreement is negotiated by a union or it is a collective agreement negotiated, without the union, simply by a group of workers in a particular workplace. It will apply to the individual agreements, the AWAs, while they continue to exist and it will apply also to the new transitional individual agreements. That is a matter, I suppose, of debate as to what the adequacy of a safety net is.

I have said before that I believe that we did make a mistake in relation to Work Choices and that is that we should have included in the safety net penalty rates and overtime. I think there was concern in the Australian electorate about penalty rates and overtime not being included in the Australian fair pay and conditions standard, and it is quite open for the government to say, ‘We should therefore make some changes to the safety net.’ But when one goes to the next element of what is in this bill—namely, the abolition of Australian workplace agreements—this is where there is a con involved in this process on the part of the government. Australian workplace agreements existed long before the Work Choices legislation was introduced. They have existed for something like a decade in Australia. What this bill pro-
poses to do is to effectively remove the ability in the future of an employer and an employee to enter into a new statutory agreement. They allow two years for the transitional agreement, which of course is subject to the safety net.

Why do I say that this is a radical re-regulation of the workplace under the guise and under the rhetoric of abolishing Work Choices? It is for this reason: if the concern is about the safety net; that is, if what the Labor Party is saying is a reflection of what the Australian people want in terms of a safety net—and I am not questioning that; I am simply putting it as the hypothesis; I am simply putting it as the hypothesis—and that safety net applies to all agreements henceforth, then what is wrong with having the ability of a person to enter into an individual statutory agreement? The Labor Party says that it is all right, if you have got an A W A, for that to continue for the life of that agreement, which could be up to five years. It even allows, after the nominal expiry date of an A W A after five years, for that agreement to continue to operate between the parties and it puts in place an interim transitional agreement, which can operate until the end of December 2009. So the Labor Party is prepared to say, ‘We accept some individual statutory agreements.’ Otherwise it could have brought legislation to this House which said: ‘On a certain date there will be no more individual statutory agreements; they will end, and that is it. If the nominal expiry date arrives, then you cannot continue the agreement after that.’ The Labor Party is not doing that. It is saying that you can have, if you have entered into an A W A, a new individual arrangement.

This indicates that the real plan of the ALP is to re-regulate the workplace. I see the Parliamentary Secretary for Disabilities and Children’s Services at the table, a man who is well steeped in the affairs of unions in Australia and well versed in industrial relations. I say to him that, if the aim of this is to put back in place a more generous safety net—namely, the new conditions which the Labor Party is putting forward—and that safety net applies to every agreement henceforth, then why can a person not have an individual arrangement because that individual arrangement would be subject to the safety net? The Labor Party is, in part, allowing that to occur for a period of time for some workers in Australia. When any statement is made about this by the Labor Party, no logical, intellectual position is put. This is what the minister said in her second reading speech:

... there is no need for AWAs or any statutory individual employment agreement. The essence of such agreements is that they override the safety net. In Labor’s view, a modernised safety net means there is no need for individual instruments which can override it.

What gobbledygook. This legislation actually ensures that the safety net applies to all agreements and those agreements cannot override it. So this explanation is simply meaningless. What we have in reality is a Labor Party which is opposed to individual arrangements and wants to see the collective as the norm, using the guise of the abolition of Work Choices to bring about these changes. We in opposition have said that we accept the Labor Party wants to expand the safety net. But we believe that individual freedom, including individual economic freedom, is a principle which has been for the benefit of individuals and Australians and their families overall, and that is why the shadow spokesperson will be moving an amendment to extend the life of the individual transitional agreements.

I would like to hear an argument from the honourable gentleman whom I believe is following me as to why what I am putting to the parliament is wrong—that is, if the safety net applies to all agreements in the future then what is wrong with having an individual
agreement? You can have a common-law contract which is an individual agreement, except it is not protected by statute; you can have, as I said, an AWA, if you already have one, which can continue to have a life beyond its nominal expiry date; and you can have an individual transitional agreement. There is simply no logic, as has been argued by the minister, for this position being taken by the government. There is simply, in my view, no answer to it other than an ideological commitment on the part of the Labor Party to make the collective agreement the only form, in reality, of agreement. People can raise the question of common-law contracts, but we all know that a common-law contract is subject to the relevant award and the award, of course, is something which is determined in part by the collective, namely, the union in question.

I have no doubt that the government will vote against the amendment that the opposition will be moving. I also have no doubt that this is just the first of a package of measures which will come later in the year to re-regulate the labour market in Australia. Will, for example, so-called good faith bargaining be part of that package which the Labor Party brings forward later in the year—something which the union movement, the ACTU and Ms Burrow, as its president, has been advocating for some time—further regulating the labour market in Australia? Ultimately, however, the test will be: what is the outcome of this legislation?

We saw this morning an Econtech report which indicated that, since 1993, one of the reasons for the huge fall in unemployment in Australia over the last decade or so has been the changes to workplace relations laws and that one of the reasons for the productivity growth that has occurred has been the flexibility in the labour market in Australia. The test for the Labor Party will be the impact of these changes in terms of the things that matter to Australians. If this leads to, not over the next week or the next few months but over the next few years, or is part of the cause of higher unemployment in Australia, then the Labor Party will be responsible. If this is part of the cause of an outbreak of further inflation in Australia, given that one of the precursors of general inflation in this country historically has been wage inflation—if there is higher inflation over the next few years partly as a result of re-regulating the workplace—then the Labor Party will be responsible for that as well. If this leads to more Australians being out of work, then that will fall at the feet of the Labor Party as well, because it is the sad fate, whether we like it or not, of people who make public policy to be judged by the outcome of that policy rather than by their intentions at the time. It is a practical reality and it happens to all of us, may I say to the parliamentary secretary. I have been here a bit longer than he has and I have seen it over a period of time both in government and in opposition. That will be the test in relation to this matter.

I came into this place at a time when there was very high unemployment, when over a million Australians were jobless, and I have a fundamental belief—and it has been part of what has driven me in this place—that we should have the lowest unemployment rate possible in this country; that no rate is too low for unemployment in this country. The Labor Party uses the rhetoric of working families. Of course, to be a working family you have got to have work. If unemployment goes up, it is not just a nice statistic or a cute statistic which is released once a month by the Australian Bureau of Statistics; it is something which affects the real lives of ordinary Australians.

There was a great blight upon this country at the beginning of the 1990s, when I first came here, in that we had a million Austra-
lians unemployed. They were real people with real families who were having real difficulties and experiencing real hurt as a result of that. Surely a primary role of government in terms of domestic policy is to ensure that we have the lowest unemployment rate possible. We have an unemployment rate today, I think, of four per cent. The question over the coming months and years will be what the unemployment rate is. As I said, if, in part because of re-regulation of the labour market in Australia, unemployment goes up and inflation goes up then that will fall quite clearly and quite squarely at the foot of the Labor Party. That is what our concern ought to be in relation to this legislation. There is no economic modelling of the impact of these changes. We are simply being told that this is good for the country. Whether it is or not is going to be the test. The outcome of this legislation is something that the opposition will hold the government to in the future.

Mr SHORTEN (Maribyrnong—Parliamentary Secretary for Disabilities and Children’s Services) (12.16 pm)—I am pleased to have the opportunity to speak on this important bill, Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008. This bill starts to right the wrongs of the last few years. I have listened with interest to some of the speakers from the opposition and I cannot help but be reminded of the apocryphal scenes of, I think, 1957 when the last Japanese soldier surrendered in the highlands of the Philippines. Yet here I am watching the metaphorical political equivalent of Japanese soldiers still fighting the war 20 years later when I listen to coalition members splutter and declaim, ‘We were right and the people got it wrong.’ On the contrary, this bill recognises that the people got it right at the last election and the coalition got it wrong.

There is no sin in politics to be repenting of the mistakes that you have made. The previous laws which we are correcting were mistakes. I am reminded of what they say about the Bourbon regime of France. I think it goes like this: the Bourbons learned nothing and remembered everything. I have listened to the speeches of the coalition. How people vote on this bill and what these changes represent really is a question of the following: if they like the thought of people losing income, job security, minimum safety nets, they will oppose the legislation in front of them and they will support the old laws; but, if they hate the idea of people losing income, losing job security, losing minimum safety net award matters, they will support the new laws. I believe that these fair industrial relations laws reflect the Australian spirit: the idea that a fair go should command respect in the workplace. This should be sufficient alone to support these new laws.

No government deserves to exist where insecurity, uncertainty and fear in the workplace are treated as incurable diseases. I thank the electorate with gratitude and with appreciation of the responsibility that they adopted at the last election by removing the government that introduced these unfair laws. All that these new laws seek to do is to recognise that the welfare of the weakest in the workplace and the welfare of the most powerful are inseparably bound together. We understand in the government that industry cannot flourish if labour languishes. We understand that good workplace laws need to be justified by something more than the previous government’s case and that fair workplace laws should rest on the foundation of fairness and decency. Modern Labor understand that all the actors in the economy deserve a fair go all round. By demolishing the extreme Work Choices laws, which we are trying to fix up, we want to actually ensure that Australian workers enjoy more job secu-
rity, better pay, fairer hours and the capacity to take leave to look after sick children or relatives. When you look at the previous government’s laws in the context of the need to sustain productivity across much longer working lifetimes, you see that the old laws make very little sense from any long-term perspective.

We require more innovative ways to balance our work and family and recreational lives. For the last number of years, unlike the cabinet ministers of the coalition, I existed in the real economy, where every morning I would be involved in negotiating agreements which would see greater productivity and greater outcomes for both employer and employee. I refer, for instance, to the Eastlink project in Melbourne—the largest and most expensive project in Australian road construction history. That was negotiated under the pre-Work Choices laws. Now what we will see, despite the concerns of the member for Menzies that we will all be ruined by these new laws, is a climate where the sorts of agreements negotiated before Work Choices can again become the norm and we will see greater pay and higher productivity for the people involved in such projects.

Seven hundred days before the 2007 election, even before Work Choices became law—when it was still a bill, still a bad cloud on the horizon—I actually said that, once the legislation was passed, the immediate focus would recede. I believed, even before the Work Choices laws came in, that the Liberals actually had all their toes and fingers crossed in the hope that everyone would forget about the laws and they would sail through. The reality is that most Australians earn $50,000 or less and one of their key staples is a minimum safety net. One thing which makes the entry of young people into the workforce easier is that there were minimum matters in the agreements, and they have now been reduced to five under Work Choices. What I predicted—and it is interesting that the member for Menzies is no longer here to hear the answers to his questions—700 days before the election which the electorate got right, is that the jury would be out and they would see what happened over the two years of Work Choices. The jury did come in over the next two years. The jury saw unfair laws and we saw this absurd situation where there was policy on the run. Let us not forget that once the government discovered how deeply unpopular the Work Choices laws were they introduced the fairness test. What a red-tape nightmare for business that was.

Let us not forget Spotlight. They tried to introduce AWAs and then they tried to adhere to the fairness test. The previous government created Soviet style red tape and then they employed Dutch backpackers—whose familiarity with the Australian retail industry could only have come from evaluating the Neighbours TV show—to evaluate how Spotlight should run their business. In the end Spotlight said: ‘It’s too hard. Let’s go back to dealing with workers in a collective fashion and then we can get on and run a proper business and look after the workers.’

The previous government was on the run in 2007. They were trying to pretend that black was white and that the Work Choices laws were no good. In fact, on 15 April the government and the then Minister for Employment and Workplace Relations, Joe Hockey—and I have to warn the Deputy Leader of the Opposition that being the coalition spokesperson on industrial relations does not seem to advance one’s career terribly well—told Laurie Oakes ‘we’re not for turning on the fundamentals of these laws’. The next day the former Prime Minister told Brisbane radio that he always listens and that if he got it wrong and it was in the interest of Australia then he was willing to change. Yet now we see the opposition struggling, play-
ing in the metaphorical political traffic, not
sure if it supports the old laws and not sure if
it supports the new laws. The opposition
needs to clarify with the Australian electorate
where it stands on the fair go all round at
work.

In my first speech to the House I said that
I have experienced the abundant goodwill of
Australian workplaces from both employers
and employees. I know firsthand the many
examples of cooperation, compromise and
pragmatism which bring dividends to all in-
volved. I said:

But in the real economy, as union organisers
know, building a business, running a farm or con-
structing a road is a really tough thing to do.
There are no shortcuts—trust, openness, fairness,
partnership, a bit of flexibility and compromise
all round. Where you find these qualities, in my
experience, you will spot a successful growing
business and business leaders who understand
that people are the most important feature of their
business.

This bill proposes to restore fairness in the
workplace. What we need to drive the future
of Australia is not the low road of cutting
costs but the high road of investing in people
and treating people as a premium. Ours is a
small nation at the edge of Asia. A nation of
21 million people can only have a future if it
is constantly investing in people, not trying
to compete with low-wage economies by
lowering and removing the safety net. Aus-
tralians understood this. The coalition, how-
ever, unfortunately still struggles with the
notion of what to do about industrial rela-
tions.

The previous Prime Minister had a long
service in public life. Unfortunately, one of
the legacies he has left to the coalition is that
he was the prime minister who tried to re-
move the fair go and in turn lost his seat to
the new member for Bennelong. This has not
happened in 80 years. It last happened in
1929, when Prime Minister Stanley Mel-
bourne Bruce lost his seat. He had taken on
the idea of the fair go and 80 years later his-
tory has repeated itself. I believe that Austra-
lions have always rejected extremes. For me
this place, the parliament, is the keeper of the
middle way—labour and capital working
together, metropolitan centres and strong
regions in balance and prosperity cross-
subsidiising growth and need across our large
and diverse continent. I do believe that our
nation and parliament operate best when they
promote tolerance and diversity. But when
political parties drift to extremes of either the
right or the left the patient electorate make it
clear through the ballot box that they expect
the parliament to reflect the native Australian
gradualism and pragmatism. I believe that
this place is a very important institution in
helping Australia adapt to the big issues of
the future. The new laws that are being pro-
posed will ensure that the balance is restored
in the workplace. For as long as the opposi-
tion are unclear about what their position is,
if they want to hark back to the glory years
of Work Choices under the former Prime
Minister, or if they are interested in ever try-
ing to form a majority in this place, then I
suggest that their best path forward—for all
parties—is to support this bill and restore the
fair go all round.

Mr FORREST (Mallee) (12.26 pm)—I
am not necessarily diametrically opposed to
the Workplace Relations Amendment (Tran-
sition to Forward with Fairness) Bill 2008,
but I want to make some comments on the
public record from my casual observations,
having been around this place for some time
now. When we come to this place on certain
things our political perspectives and ideolo-
gies, or the kaleidoscope in which we see the
world, are already fixed. There is one par-
ticular issue that distinguishes members of
the Australian Labor Party and members of
the coalition parties, and that is industrial
relations. The Labor Party claims that it has a
mandate as a result of the last election. That may or may not be true. I spent a lot of time on, and worked very hard during, the last election campaign and I have to say that from my perspective, and from my electorate’s point of view, and despite the bombardment of television advertising from the union movement, not one single person raised this issue with me as something that was top of mind in their daily world. From the north Victorian perspective it was all about water—water first, water second, water third—and the lack of recognition in a national election campaign of their needs.

The constituency of Mallee consists of hardworking, small business, mum-and-dad family operators providing 75 per cent, dare I say even 80 per cent, of the employment. These are business people who, when they find a good employee who is delivering for them, will do everything in their power to keep that employee satisfied—with the ultimate outcome a win-win situation for both the employee and the employer business. That usually means one family and another family—that is the nature of employment in my constituency. So I am speaking on this legislation before us today from that perspective. The other thing I have objected to while listening to this debate, and to others that occur in this place, is the offensive way in which the Labor Party, from its ideological position, wants to rewrite history and paint the former government as a pariah because of all the terrible things that it did. That is not the truth. I want my constituents who are listening today to be aware of the real truth.

It is true there is no such thing as a perfect government. Despite all the hubris we hear from members of the new government, they will learn there is no such thing as a perfect government. There can be a good government, but not a perfect government. Mistakes get made—that is true. It has already been acknowledged by the member for Menzies that attention to the safety net could have been better addressed. But I have not had one of my constituents come up to me and say that they have had an adverse outcome. They want to sit with their employer and suggest productivity gains. It is the nature of the employment that it is not nine to five. It is not: catch a train into the city, start work at nine, knock off at five and go home. It needs incredible flexibility, because it is reliant on the climate, the temperature and the production of sensitive crops—food and fibre. Flexibility is the name of the game. Australian workplace agreements gave that opportunity for a tremendous influx, a productivity focus and a win-win for employers and employees. It is true that there are some larger corporate employers across the north-west of Victoria, but the bulk of the employment is one or two people working in a small business.

I am immensely pleased with the outcomes for the Australian economy from the government that I was part of. They speak for themselves. After we inherited government in March 1996, more than 2.2 million jobs were created—over 1.2 million jobs which were full time and 950,000 which were part time. In a constituency like mine, despite the worst drought in living memory, that outcome was evident, particularly in the provincial centres of Mildura, Swan Hill and Horsham. You could not get a sparky, a plumber or a builder to do any extra renovation that was needed to develop and expand a business and to make way for more and more employees.

The greatest fillip we gave to those small businesses as a government then was the removal of those unfair dismissal laws. They were the single biggest restriction of confidence for a small business owner to put somebody on: with the vagaries of economies, particularly those that are climate dependent, knowing the difficulty of coming to
the tough decision to put a person off and endure an enormous financial pain for it. That unleashed employment opportunity across the north-west of Victoria, and that is what most of the people in my electorate were talking about during the last election campaign. They saw the benefit of a tally of, at the end of 2006 at least, 1.88 million small businesses across Australia—the engine room of the economy—some of them providing two or three jobs and some of them providing up to 100 jobs. It is small business that drives the constituency I come from. Therefore that affects the ideological perspective from which I come to a discussion on legislation like this.

Let us look at unemployment. Like the member for Menzies, I remember coming into this place when the nation had a horrendous unemployment record. But, as a result of reforms that the former government made to the way our taxation system works, a stimulus to business and a more flexible and creative workplace formula, we saw unemployment come down to its lowest level in 33 years—down to 4.2 per cent. It was slightly higher in Mallee, but again the changes were dramatic. You could see it in the small towns. This is the record that I want my constituents out there listening to this broadcast today to be aware of. I do not want them to be sucked into the rhetoric we are hearing from the Labor Party about how terrible things are.

I am concerned that the new government does not really understand the nexus between the way the economy operates, the way growth operates and the way flexibility in the workplace operates, and the subsequent impacts on the total economy, including inflation. I can remember the days of being in small business myself before coming to this place, in the terrible days of a former Labor government, wondering what on earth the people in that rarefied atmosphere in Canberra were thinking about, when I had to contend with the impacts of an economy out of control, one day realising that I had an overdraft interest rate of 25 1/4 per cent on money I was borrowing to pay the people that worked for me. I worry with great concern that this new government is so fixed by its ideological position that it wants centralised workplace regulation in place. I fear that the outcome I saw before coming to this place will be the outcome again. Today’s Australian has published some work by Econtech which predicts that scenario.

This bill today is just the start from the Labor government. In fact its reference is to ‘Transition to Forward with Fairness’. We all support fairness, but there is nothing fairer, I believe, for a family than to provide them with gainful employment, in employment where they have opportunity to develop their own potential and to assist the business that they work for in the best interests of the nation’s economy. That is what I see out in my constituency. I hope that the scenario in the member for Menzies’ contribution is not the outcome we have to wait a few years to find. This government, which is not going to be perfect, is making another mistake.

Mr BRADBURY (Lindsay) (12.36 pm)—I rise in support of the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008. I must say that it is with a real sense of honour that I come to this place to speak in support of this bill which begins the process of dismantling the WorkChoices legislation. Forward with Fairness is the policy that the Labor Party released back in April 2007. Following on from Forward with Fairness was the Forward with Fairness policy implementation plan, which was released in August 2007. It is a matter of record that we had an election on 24 November 2007. In my electorate, the consensus amongst the people that I spent my time
speaking to was that that election was a referendum on Work Choices.

I must say that I find it curious to hear those on the other side suggest that the government does not have a mandate to begin the process of dismantling and killing off Work Choices, and in particular AWAs. If ever there was an example of a mandate then this is clearly it. If the government does not have a mandate in these circumstances then the doctrine of electoral mandate has no existence in democratic theory. I do subscribe to the belief that there is such a thing as a mandate, and that is why I am very pleased to be here in support of this bill.

In beginning the process of killing off AWAs, throughout the last election campaign I doorknocked many thousands—in fact, over 23,000—households. I engaged with many people at street meetings, through mobile offices and throughout the community in the course of that campaign. Overwhelmingly in the electorate of Lindsay the view held by people was that Work Choices had gone too far, that the former government—having gone to the 2004 election without having put to the Australian people their plans for changes to workplace laws in this country, having not only been elected in 2004 but having received a majority in the upper house and having then taken advantage of the power that had been entrusted to them by the Australian people—rammed through these changes without the consent of, or consultation with, the Australian people. Whilst in my experience people were very upset about the impact of these changes, there was also a real degree of anger at the lack of process, the fact that the government had won office and then gone on to introduce laws that it had not put before the people. In sharp contradistinction to that, having laid out our program before the last election and having now been elected, we are bringing forward those proposals chapter and verse, as they were put to the Australian people before the 2007 election.

AWAs were a policy issue that people in my electorate expressed particular concern about. Many people had been offered AWAs or knew family members who had been offered AWAs and felt that they were not given adequate protections in order to stand up against those that had provided those AWAs. We all know that there is an inherent inequality of power in the workplace context between employer and employee. It is against that backdrop of inequality that many employees found themselves having a document presented to them on a take-it-or-leave-it basis. There was a lot of anecdotal evidence of that in my travels in talking to people in the community, but before the last election members of the opposition, as the Labor Party then was, sought on many occasions to find some objective evidence of the impact of AWAs. The then government went to great lengths to try and conceal the facts—the facts that told the story that many people in my community already knew. The anecdotal evidence that was provided to me throughout the Lindsay electorate was justified and supported by the facts. It is just that the previous government went to great lengths to conceal those facts.

Now that those facts have been released—the current Minister for Employment and Workplace Relations has released many of those details—we see a range of injustices. If we take the figures released in April 2007 by the Workplace Authority in relation to AWAs entered into, for example, 75 per cent of agreements cut shift loadings, 68 per cent cut penalty rates, 57 per cent cut monetary allowances, 52 per cent cut public holiday pay, 89 per cent removed at least one protected award condition, 83 per cent removed two or more protected conditions, and it goes on. This was a particularly big issue in my electorate. Many working families throughout
my electorate rely upon their penalty rates in order to make ends meet. To threaten those penalty rates in the way in which Work Choices has done has been to threaten the very living standards of working families in my electorate. It is on their behalf that I stand here today in the House of Representatives to support this bill that unwinds the legislation that allowed that threat and that attack on their living standards to be carried out.

It is interesting that, even though the electorate was aware of the damage that this legislation was doing, we see now—and I refer in particular to the member for North Sydney’s comments on the *Four Corners* program—that those sitting around the cabinet table seemed to have had no idea. The people in the community that I spoke to were telling me they felt the government had no idea, but now we have the member for North Sydney confirming this. He said:

> Quite frankly, when I took over the job, I don’t think many Ministers in Cabinet were aware that you could be worse off under WorkChoices. And that you could actually have certain conditions taken away without compensation.

If those sitting around the cabinet table did not know that, the lights were on but nobody was home. Working families, individuals in their workplaces across this country, became aware of that the hard way, and that is why we are taking action. Perhaps the most insightful comments coming out of that program were the comments of Andrew Robb, the member for Goldstein, who said:

> I think it was the most powerful symbol of the fact that we’d stopped listening and that we’d run our race and that we’d been there so long, that we were no longer alert to the views of the Howard battlers, the people who put us there in the first place.

The member for Goldstein hit the nail on the head.

What has the opposition now chosen to do? Rather than move forward and recognise that Work Choices was a mistake, they have now moved into this ludicrous position where they neither support nor oppose this bill that begins the process of ripping away Work Choices. The opposition find themselves in some sort of twilight zone of policy conviction—not supporting and not opposing the legislation. I will be returning to my electorate and letting each and every person there know that those on the other side have refused to support this bill. Australians around the country have indicated that they feel that Work Choices went too far. They have expressed their anger at the fact that the previous government introduced this legislation without their consent. They have given us a mandate to dismantle those laws and to put in place a new, fairer system of workplace relations in this country. I am very proud to be speaking in support of the bill that initiates that process.

One of the essential elements of the last election was the extraordinary community campaign of those working people around this country who came forward, stood up to be counted and mounted the single biggest community campaign that this country has ever seen. Those working men and women, and many retirees and those who were not working, who supported that campaign should be acknowledged for their role in making the contribution that they did.

In conclusion, I also acknowledge the fact that, when I gave my first speech, I thanked many people for their contribution but I failed to mention one individual, and I wish to put his name on the record today. Mark Bell is another of those hardworking people who was involved in the community campaign that led to a change of government and, as a result of that change, the new government is now introducing legislation to repeal the Work Choices legislation which
was such a threat to the living standards of working Australians.

Mr COULTON (Parkes) (12.46 pm)—I rise to support the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008. However, I wish to put on record my support for the second reading amendment to the bill to be moved by my colleague the Deputy Leader of the Opposition. This bill will make changes to the current workplace arrangements: AWAs will be abolished and new individual agreements, ITEAs, will be introduced.

I note the comments made by the member for Lindsay prior to my speech about the mandate of the current Labor government to bring in these workplace reforms. I would like to inform the honourable member for Lindsay that, in my electorate, 76 per cent of the people were not gullible about the union-led campaign and rejected the incoming Labor government. So, as a result, I am under no obligation to believe that there is such a mandate from the people of my electorate.

I believe that flexibility in the workplace is of utmost importance, especially in rural and regional areas like my electorate of Parkes. This is particularly important in the case of small business. Small businesses are the largest employers in the electorate of Parkes, and small businesses are frightened of unfair dismissal laws. They need a system in place that will accommodate them and give them some confidence in employing people. The key word in all of this is ‘confidence’. It is having confidence that when people take on a job they are going to be treated fairly—and no-one believes in a fair go more than I do—but also confidence that a business can put on an employee and, if it does not work out, they will not be severely punished for terminating that arrangement.

When I cast my mind back to the eighties, I can remember when parents were offering to pay employers the wages of their children, just to give them a job because the employment restrictions were so great at the time that no-one was game to employ anyone. We had people well into their 20s with no practical experience of employment. There was much made in the campaign last year about exploitation of young people and the conditions that they were working under, but my point of view is that the greatest gift you can give a young person is experience. Quite often people do not stay in a job, as they did in previous years when they might stay in the one career forever. Once a person gets that first job and first experience, they can move on. That needs to happen at a reasonably young age, because I can remember back 25 or 30 years ago when many people did not do that. Those people who missed out on getting an early start are now in their forties and fifties, and, regrettably, are still unemployed. They are the forgotten group in Australia. The people who were victims of the Hawke-Keating era of the eighties are still unemployed because they missed out on getting those skills at a very early age.

Training is also a vital ingredient for the employment of young people. You need flexibility in a workplace to enable that training to take place. In my electorate, one of the greatest problems we have is not unemployment but the shortage of skilled workers. The ability for employers to put on employees and offer them training and flexibility to undertake that training is vital if we are going to grow our economy and employment, particularly in regional areas. As an example of that, in my electorate, west of Dubbo there is a dairy that is offering a job, with excellent conditions, for a skilled manager but is unable to find anyone. So we still have a long way to go in filling the skills gap.

One model that I have been actively involved with in relation to employment and training is that of the Gwydir Learning Re-
Prior to coming to this place, I was the mayor of the Gwydir Shire Council and, as little as five or six years ago, we had a very high unemployment rate. We had a large number of students dropping out of school and into unemployment, and we had a large section of middle-aged people who had never experienced employment. We have no university, no technical colleges and very few facilities in our local area, but in a partnership that was formed by the Gwydir Shire Council, the local schools in the area, employers, adult learning associations and the University of New England, we were able to form a community based learning organisation that has reversed the situation. Indeed, in the last five years no children have left Warialda High School that have not gone into further training or permanent employment.

One of the reasons that that system was able to work was that employers could take on young people on a casual or part-time basis as trainees and offer them experience without large wages being involved. This would not have been possible under previous regimes. However, we found that, by the time these young people had left school and finished their period of traineeship, they not only had experience of working in a workplace but also had gained self-respect from being treated as adults and working in the wider community, and they went on to become productive citizens. Obviously, not all of these students stayed in the trades or the employment they undertook as trainees; many of them went off to university. But that hands-on experience they gained at an early age enabled them quite often to get part-time employment to help supplement their living expenses at university. Also, when future employers looked at them as prospective employees, quite often it was that experience they were able to gain at a young age that got them the job. Back in the eighties, when we had much more restrictive workplace practices, that was not possible. I urge the government, as they go about their task of restructuring the workplace, to try to keep that balance—that they do not price young people out of the workplace and deprive them of that wonderful opportunity to get that experience and a start in life.

I will conclude by speaking about an incident that happened in my home town. I have lived all my life in the town of Warialda, which is in north-west New South Wales. I went to school there, played sport there and have been very involved in community activities there. I have a deep respect and love for that town and the people in it and I never intend to live anywhere else. In my 50 years of being a resident of Warialda, there has only been one period of time where the harmony of that community was shattered. Warialda is the sort of place where, on a Sunday on the golf course, you can find a schoolboy, the wealthiest person in town, a professional—the doctor—and a plant operator on the council all in the same golf team. It is the closest I think you could get to having a harmonious society.

However, back in the 1980s, we had what was called the 'wide combs dispute'—and I am sorry that the member for Maribyrnong is not in the chamber at the moment, because his former union, the AWU, lost massive ground through that dispute. I might say that, since then, the AWU has modified its approach and is actually doing some good work in regional Australia. But, for the benefit of those who might not know about it, the wide combs dispute back in the 1980s was over the width of a shearing comb that was used to shear sheep. It was not a case of reducing the conditions of the shearers that were doing the work; it was not a case of making them work long hours. Indeed, there was ample proof to show that wide combs improved the capacity of the members of the union to earn more income per day.
But the union decided that it was a matter of principle and they were going to use this issue to, once again, place their stamp on and establish their dominance in the shearing and pastoral industry. I guess under less compelling circumstances they may have had their way; but, because the benefit to be gained from introducing wide combs was seen by the industry and its membership to be of such an advantage, a dispute broke out. In that 12-month to two-year period, we saw our harmonious little town split in half in a way that I had not seen before and, thankfully, have not seen since. It took place a long time ago, but we had friends and neighbours not speaking; we had bashings at social functions on a Saturday night; and we had AWU representatives breaking into shearing sheds at night and vandalising private property. It was a very unpleasant time.

I just remind the House and caution members opposite of what can happen when the balance is upset and the pendulum swings too far back the other way. I, too, agree with fairness in the workplace, but we need to keep it in balance. We need to keep that balance so that not only are employees guaranteed a fair day’s pay for a fair day’s work but also employers are guaranteed not to be exploited.

Ms RISHWORTH (Kingston) (12.58 pm)—It is a great privilege to rise today to add my support to the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008. On 13 February 2008, the Rudd Labor government kept its promise to the backbone of this country—the working families. On 13 February 2008, this government rewrote the wrongs of an out-of-touch former government, which has resulted in the introduction of this bill. This is the beginning of the end of Work Choices, one of the most unfair initiatives of any Australian government. Unfortunately, we cannot undo the damage that was done by the previous legislation. We cannot undo those dismissals for which there was no recourse. We cannot undo the Australian workplace agreements that were forced onto vulnerable employees and which cut many conditions of employment. The previous government’s Work Choices was a regime that truly deserved the adjective ‘un-Australian’, because Australia has always had a strong tradition of conciliation and arbitration in the workplace.

I have the honour to represent the seat named after the great Charles Cameron Kingston. He was a strong advocate for the arbitration power to be built into the Australian Constitution, following the success of South Australia’s industrial arbitration legislation. The previous government trashed that proud Australian heritage. Time and time again, when I was door-knocking during the campaign, working families would tell me that they were worried—worried about the future, worried about their kids’ future and worried about the continuing increasing cost of living. And they had good reason to be worried. The previous government went too far.

Workers’ rights were not protected by law as claimed by the former Howard government. The Workforce April 2007, Issue report found that, of 5,250 AWAs examined, 455 stripped away all award conditions, 33 per cent provided no real wage increases, 27.8 per cent may have broken the law, 76 per cent removed shift loading, 59 per cent removed annual leave loading, 70 per cent removed incentive pay and bonuses and 22.2 per cent removed declared public holidays.

Instead of that shameful record, the Rudd Labor government is doing what Labor has always done: protecting working families. It is protecting working families with a strong safety net, protecting working families with a system that promotes enterprise bargaining, and protecting working families with a true
independent umpire. Just as in the past, Labor is committed to industrial relations that are relevant and contemporary, a system that encourages jobs growth and economic strength. Labor in government is never wedded to outdated systems or hankering after some past golden age. Neither does Labor seek to pull the rug out from under workers and their rights. Labor seeks a fair and balanced system, and that is what this bill is all about.

The minister has already provided the chamber with much detail on the features of this bill. However, I would like to highlight what I believe will be the key aspects of the success of the government’s legislation before us today. The bill will build a genuine safety net for our most vulnerable workers by establishing a new no disadvantage test that will apply for all individuals. The establishment of a new, genuine, no disadvantage test will apply to ITEAs and to collective agreements. The proposed no disadvantage test will ensure a workplace agreement cannot disadvantage any employee.

However, there is no point in having a no disadvantage test if you do not have an award or standard to compare it with. For many working people under the previous regime, Work Choices, their safety net was going to be abolished, with the NAPSAs expiring in March 2009, only to be replaced with five minimum conditions. This would have made the so-called fairness test redundant for many people because their relevant award would no longer exist.

Under Labor’s transition bill, the NAPSAs will continue until 31 December 2009. NAPSAs will then be replaced by Labor’s modern award system. Most importantly, the bill will ensure that there will be no new Australian workplace agreements from the time the legislation comes into effect. Any AWA that was agreed upon prior to the agreement to this bill will continue until the normal expiry date. This will give some certainty to both employers and employees.

The recent election was one in which workplace relations was front and centre. There can be no dispute that the Rudd Labor government has been endorsed by the nation to restore fairness and balance in the workplace. The Liberal members opposite have floundered with their response to the clearly expressed will of the Australian people. First they defended Work Choices, then they junked it, then they defended bits of it. The coalition members did not get it in two years, and they don’t get it now.

The conservatives are out of touch with ordinary working families. In the circles in which they mixed, people thought Work Choices was fine. But, in the lunchrooms and on the factory floors all around Australia, and over the back fences and in the pubs and the shops, people were talking. People knew they were being duded. People knew that they were being betrayed by the supposed friend of the battlers. Even now, the Liberals have great trouble accepting that workers and families rejected Work Choices. The Australian people knew it was unfair. The Australian people said, ‘No way.’ With this bill, we take a step towards repair, towards a fairer, balanced system.
gagged any of their side in this debate, unlike what happened to so many of us on this side of the House during the introductory bills under the previous government.

This bill begins the process of consigning to the dustbin the Howard government’s Work Choices legislation. This bill begins the process of restoring to Australia’s workplaces and industrial relations systems fairness and balance. I note that the member for Parkes previously called on those of us on this side to not swing the pendulum too far and to retain a sense of balance. I can assure him from my own experience in my area. I meet regularly not only with my local trades and labour council but with my local business chamber. The AiG have an office there, and I talk regularly to them, and we do have a Liberal Party senator in our area. However, the experience is that, while the business chamber and the AiG might get to talk to her, the unions cannot get within cooee of meeting with her to raise their concerns. So I would assure the member for Parkes that those of us on this side of the House regularly provide balance in our listening to the concerns of our constituencies, and perhaps his comments would be better directed to his own side.

This bill clearly rejects the completely partisan way the Howard government dealt with industrial relations and the introduction of Work Choices. This bill contains clear objectives and is the result of policy announced prior to the last election campaign, which obtained an overwhelming mandate from the Australian people. In drafting the bill, the government engaged in comprehensive consultations. As the Minister for Employment and Workplace Relations noted in her speech, employer organisations and trade unions were involved, as were state and territory governments.

Two meetings of the National Workplace Relations Consultative Council took place, comprising employee and employer groups, across a diverse range of industries as well. The council’s specialist subcommittee, the committee on industrial legislation, discussed the government’s proposals in this bill, the award modernisation process and the proposed National Employment Standards. Each of the state and territory ministers for workplace relations were consulted on the bill’s provisions. This is in stark contrast to the process of introducing Work Choices by the Howard government throughout 2005. Work Choices was sprung on Australians with no notice and there was minimal consultation. In keeping with the partisan nature of the former government, only a range of employer organisations were given an opportunity to input into Work Choices. Only employer groups were given special previews of it. This government, instead, released Forward with Fairness in April 2007. The Forward with Fairness policy implementation plan was released in August 2007. Our policy was given a baptism of fire by a range of employer groups, the media and especially the Australian newspaper and, of course, the Howard government. We developed the policy framework around key principles, released the policy publicly for scrutiny and assessment and stood to argue the case for fairness and balance in Australia’s workplaces. We did not sneak in and drop a bombshell as did the Howard government with Work Choices. Every Australian voter at the federal election knew what Labor would do in industrial relations. Equally, every Australian had a fair idea what the Howard government would do with Work Choices. In fact, the former Prime Minister, John Howard, in the 2008 Irving Kristol lecture in the United States on 6 March this year still proclaims Work Choices. He said:
The new government in Australia is pledged to reverse those labour market changes. That will be a mistake. It will be the first time in twenty-five years that a major economic reform in Australia has been reversed.

The approaches to Australian industrial relations between this government and its predecessor are stark. I took the time to outline the way our government went about designing its industrial relations policy deliberately. We promised fairness and balance. This bill will achieve those twin objectives. These objectives are achieved because we are clear on the principles we advance and because we set about consulting and engaging both employer organisations and trade unions including other levels of government. The Workplace Policy Director of the Australian Chamber of Commerce and Industry, Peter Anderson, put it this way in an opinion piece published in the *Sydney Morning Herald*:

> The fact that the government proposes a transition to its new system, rather than a big bang, will be important ... Its commitment to consult unions and employer bodies gives it a chance to get the detail right - something Work Choices did not do.

This opinion by ACCI is worth its weight in gold, particularly given its rather foolish solid endorsement of Work Choices previously. I am happy to note that the bill will upon commencement forever abolish Australian workplace agreements. AWAs, especially after the introduction of Work Choices, were used to cut workers’ pay and conditions, something we saw extensive evidence of during my participation as an opposition member in the IR task force inquiry that Labor instigated.

The Deputy Prime Minister issued a media release on 20 February indicating just how wages and conditions have been cut under AWAs. Analysis provided to the government by the Workplace Authority—analysis the previous government denied existed—reveals that, of the 1,748 samples of AWAs, 89 per cent removed at least one so-called protected award condition. The analysis reveals that 83 per cent excluded two or more protected conditions, 78 per cent excluded three or more, 71 per cent excluded four or more, 61 per cent excluded five or more and just over half—that is a majority—excluded six or more so-called (remember the stamp on the previous brochures) protected conditions. The analysis reveals in addition that 70 per cent of the sampled AWAs removed shift loading. Bear in mind that these AWAs remained in force for five years, yet incredibly 75 per cent of them did not provide for a guaranteed wage increase during the life of the AWA. That is five years with no guarantee of any sort of wage increase.

It really is no wonder that workers faced with no guaranteed wage increases could not cope with the increased costs of living that they were facing under the Howard government. So out of touch did the Howard government become that it did not care that workers were relying on the monetary value of overtime loading, shift loading, penalty rates and incentive bonus payments to help pay the house mortgage, pay their private health insurance, pay for their petrol that had been going up and pay for their higher grocery bills. Just how out of touch the Howard government had become was made clear on the *Four Corners* program on 18 February this year. The former Minister for Employment and Workplace Relations, the member for North Sydney, told the program:

> Quite frankly 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.

He then said:

> And once I started to raise those issues with colleagues and when they became more informed
of the impact of Work Choices, we introduced the fairness test. The honourable member for North Sydney was then asked by *Four Corners* to name his colleagues who were not aware that conditions could be stripped under Work Choices. Not surprisingly, he refused. I do not actually buy that explanation from the honourable member for North Sydney. The Howard government collectively was more than aware that Work Choices could strip workers of wages and conditions. It was revealed in the infamous biography of John Winston Howard by Wayne Errington and Peter Van Onselen, published last year, on page 370 for those who would like a direct reference:

The model for reforms was presented to Cabinet on no less than three occasions, with Andrews—the then minister—sent away each time to improve drafting. One cabinet minister specifically recalled Andrews explaining to Howard and the rest of Cabinet that there was no getting around some workers losing out under the proposed legislation. But timing took precedence.

The Howard Government had simply grown out of touch and did not care. I am delighted that, under this bill, Australian workplace agreements will be abolished from the date of its commencement. Never again in Australian industrial relations will an individual instrument override a national safety net. Individual agreements may exist, but these agreements will be common-law contracts, built upon—that is, over—the minimum national safety net.

The National Employment Standards, which will contain the key minimum entitlements for all Australian employees to apply from 1 January 2010, are currently the subject of discussion and consultation with interested parties and individuals. The expanded national safety net of entitlements will benefit employees. Employers will also benefit from having a simple, straightforward set of minimum conditions that are easy to follow and to comply with. Awards will be modernised, and this bill sets out the new allowable matters to be contained in awards. This bill will introduce a genuine no disadvantage test. The new instrument—the individual transitional employment agreement, ITEA—will be introduced for transitional use and subject to the bill’s no disadvantage test. The ITEA will be tested against an applicable collective agreement or, if there is no such agreement, an applicable award. Collective agreements will also be required to pass the no disadvantage test against the full applicable award. Employers will no longer have the power to unilaterally terminate a collective agreement that has passed its nominal expiry date.

Whilst this bill contains some historic reform provisions, the opposition still does not know whether to support or oppose this bill. We have seen in the contributions of opposition members today the great dilemma they are having in finding a consistent voice on this. Both the Leader of the Opposition and the Deputy Leader of the Opposition made this clear in weekend interviews. At the last election, Australians voted for the restoration of fairness and balance to industrial relations, wages and conditions. The government’s agenda, started by the introduction of this bill, intends to restore that balance and to restore fairness. The previous government went too far. I look forward to the introduction of the next phase of the government’s legislative agenda on industrial relations and to making additional contributions during this term of the federal parliament.

Ms OWENS (Parramatta) (1.16 pm)—What we are doing today is something that is rather unusual in the history of recent Australian governments in that we are essentially repealing a major piece of legislation which is central to the lives of a large number of
Australians. It is not usual in Australian government, because over many decades the Australian people have chosen to provide a second voice, if you like, sometimes with one party in the state government, another in the House of Representatives and another with the balance of power in the Senate. While most of us on both sides of the House have at times found that structure very frustrating, one would have to say that it has served the Australian people well in that, over decades, each party when in government has been unable to move as fast as it would like and has been pulled back to the centre a little bit by the Senate.

As a result of that, and also of the respect that most of us have for the institution of democracy, there has been caution on revolutionary change in Australia. Most of our changes to legislation have been incremental rather than revolutionary. I was pleased that in the election campaign, when we talked about making this quite substantial change, we promised incremental arrangements through the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008, which would ease the transition to the new arrangements for business. This bill certainly does that. It recognises in essence that businesses that entered into arrangements for AWAs under the law need time to transition to the new arrangements.

That, of course, was not the approach of the Howard government when it won control of the Senate. It introduced Work Choices with no warning to the Australian people. People, both in my electorate and around the country, made perfectly reasonable decisions about their family life and the way they manage their family—which property to rent, whether to buy, how much they could afford, whether one or both parties worked, whether one or both did overtime, whether they put their children into private schools and whether they went on holidays this year—based on the perfectly reasonable assumption that our industrial relations system was stable. Suddenly, of course, it was not. Overnight, the assumptions that underpinned the choices that families had made were ripped away. Many families were suddenly worse off financially because of that. When we in Labor decided that Work Choices had to go, we put it clearly to the people of Australia. Over a 12-month period, the people of Australia were given the opportunity to consider exactly what we planned to do and, on 24 November last year, they voted overwhelmingly to get rid of Work Choices.

This new transition arrangement starts to move us towards a fair industrial relations system that recognises that both families and business must do well if our society and our economy are going to flourish. It recognises that there is a very real relationship between business, families and the success of both. In a local context, in my electorate, if businesses want to do well, they know quite well that their customers are employees of the business down the road. If the business down the road is able to reduce wages and conditions, then that affects the capacity of those people to spend money at the local hairdresser, the local restaurant, the local coffee shop and the drycleaners. Families also recognise that, if the local businesses do not do well, then jobs are in short supply as well. Any industrial relations system that elevates the needs of one above the other, as Work Choices did, and which allows one to flourish at the expense of the other, will eventually cause both to be damaged and, ultimately, to fail.

Make no mistake: while the government of the day seemed uninterested in the impact that Work Choices had on families, the failure of families is devastating. It is not just a family matter. When families fail in one of the many ways that they can, it introduces a cost both to society and to our economy. We
talk a lot about business needs; the government of the day in introducing Work Choices talked ad nauseam about the needs of business. Of course businesses need flexibility to employ in a way that allows them to plan ahead and to flourish. But while we might not call a family a business, it is an economic and a social unit that must do well. Work Choices substantially damaged the capacity of families to do well in the many ways that we need them to do. There is a cost if families fail in their internal relationships. When Work Choices ripped away the ability of families to commit time to each other—whether through the increased use of split shifts; through, as in my electorate, the increased pattern of people losing their full-time job on one day and being employed as a casual the next; or through businesses being able to change rosters without notice and rip away penalty rates—families themselves started to lose the capacity to plan the way that they related to each other during the week. Who was going to pick up the children? Could they drop the children to the soccer match on Saturday morning consistently?

That capacity of families to plan the way they build those family ties is already probably under greater stress at the moment than it ever has been in the history of our country, because quite often both parents are, for whatever reasons, choosing to work. So even before Work Choices our families were struggling to find that balance between work and family that would allow them to be financially secure plus build the security of their family relationships. Again, make no mistake: divorce costs our community—it does not just cost the family; it costs us all. The breakdown between children and their parents does not just cost the family; it costs us all.

Similarly, Work Choices reduced a family’s capacity to financially plan for the long term. It undermined the decisions that families had already made. Perhaps one of the worst aspects of Work Choices was that it did not respect the decisions that families had made based on the perfectly reasonable assumption that we had a stable, incremental industrial relations system. The inability of families to know what their incomes would be over a period of time, as everyone would understand, dramatically impacts on the ability of families to do what we need them to do in the long term—to save for their retirement, to save for a rainy day, to insure themselves and to accumulate assets. Again, a family that failed in that way—a family that had Work Choices continued for long enough, would have become unable to save for retirement—would not just have been a cost to the family and that family’s children; it would have been a cost to us all.

Also, the community and extended family relationships that families spend their time developing was perhaps one of the first elements that went when time became short or the ability to plan went out the window. Again, it is the time that families spend on developing their relationships in the community and with their extended families that holds our communities together. It is an extremely important glue that holds our communities together. Work Choices was a fundamental attack on the capacity of families to plan their future and their time in all three of those ways. And it happened at a time when, for whatever reason, the choices that parents are making to both work are already putting families under incredible stress.

This is a time to consider work and family balance—it is absolutely the time to consider work and family balance. Over the decades it has been the union movement that has led that argument. People quite often think that unions are about work but, when you look at what they have done, they have been very much about the separation of work and fam-
ily life, ensuring that when people returned home from work they were in a fit state to spend quality time with their families, that they had two days off in a row, that they were able to plan, that they knew when their rosters were, that they were paid on a regular basis, that they had holiday time every year et cetera. The unions have been there, fighting for just those family issues, for 100 years in this country. And suddenly we found under Work Choices that not only was the family under attack but the organisations that fought those issues for the families were also under attack, reducing families’ ability to do what families today need to do—and also those families’ ability through the union to improve that capacity in the long term. There are very few advances when it comes to work and family balance that have not been fought for by the Australian trade union movement over the last 100 years.

So Work Choices is about to go—and thank goodness for that. But in its place will be a fairer system that does not swing the pendulum wildly backwards and forwards but incrementally begins to move the pendulum, in a way that is very sensitive and respectful to the choices that businesses have made, back to the centre. Over the next couple of years, that is what we are going to see. We are going to start seeing the fairness that allows both business and families to flourish reinstated in this nation. It has served us well. There are times when the pendulum has been a little too far one way or the other, but it has been, prior to Work Choices, fairly close to the centre—and, with the end of Work Choices, that is exactly where it will end up again. I commend this bill to the House.

Ms ANNETTE ELLIS (Canberra) (1.27 pm)—It is my pleasure to have the opportunity to speak in this place today to the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008. The bill prevents the making of new AWAs from the date of commencement of the bill—and I know that there are very many people in my community saying: thank goodness and good riddance to them. The bill establishes a new individual statutory agreement, the Individual Transitional Employment Agreement, or ITEA, for limited use during the transition period and introduces a genuine no disadvantage test, one which is very different to the last minute shambolic thing that was the former government’s fairness test—a ‘fairness’ test that was not fair at all.

Importantly, the bill establishes the award modernisation process for the Australian Industrial Relations Commission to create new modern awards, awards will that protect workers’ pay and conditions. Under the bill the Fair Pay Commission’s role will be limited to conducting annual reviews to determine the increase to the minimum wage. The bill also removes the requirement for employers to hand out the former government’s workplace relations fact sheets. This obviously removes some administrative burden from businesses but also I think is a very sensible thing for us to stop.

Of course, this bill represents the first stage in the dismantling of Work Choices and begins the implementation of Labor’s Forward with Fairness. If ever there were an issue for which a government had a mandate, it is the area of industrial relations and this bill for the Rudd Labor government. There is absolutely no question about that. As we all know, industrial relations was at the centre of the last election campaign—indeed, it was at the centre of public debate for the duration of probably the whole of the last term of the parliament. And the voting public certainly made their choice very clear on 24 November last year. Meanwhile, the opposition continues to fascinate not only us but anyone else interested in this issue when it comes to this particular bill. To quote them, they ‘will
not oppose this bill but will not support it either.

Throughout the last three years, the former government were told about the extreme unfairness of the Work Choices legislation time and time again. I have given numerous speeches in this place about the impact that Work Choices was having on my own electorate of Canberra, and many other Labor members of this House did the same thing. The trade union movement told the former government, working Australians and their families told the former government, but did they listen? No, of course not. Worse still, in my opinion, they attacked and derided anyone with an opinion different from theirs on this issue.

Right up until election day, there was a championing of the former government’s extreme and unfair industrial relations policy. It was a policy that stripped away pay and conditions of hardworking Australians. If I remember correctly, of the sample of AWAs that were reviewed by the former government, 100 per cent of them stripped away at least one so-called protected award condition, 64 per cent of them cut annual leave loading, 63 per cent cut penalty rates, 51 per cent cut overtime loadings, and 40 per cent cut rest breaks.

With this bill, Labor are bringing back the fair go. Fairness and flexibility will be at the core of our new industrial relations system. The new no disadvantage test will offer real protection to workers on either ITEAs or collective agreements. Under the test, the Workplace Authority director will have to be satisfied that a workplace agreement does not reduce employees’ overall terms and conditions, when compared with a reference instrument such as an otherwise applicable collective agreement or an award.

The process of award modernisation is crucial to working Australians. We have a great history in this country of having workers’ pay and conditions underpinned by the safety net of the award system, and I believe that many Australians truly value this safety net. In fact, I know that to be the case. In the last two or three years, you did not have to step far out of your office to hear people continually say to you—and they said it to me—‘Annette, we are now retired from the workforce. We cannot possibly imagine what our children and their children are going to have to go through to bring balance back into the workplace. We fought for it; we want you to fight to get it back.’ That was just a constant conversation around my electorate and around most electorates, at least where we were working.

The modern awards which Labor will create under this bill will contain 10 allowable award matters. Equally important are the National Employment Standards that are currently being developed, which will provide protection to all workers. The National Employment Standards will cover, amongst other things, hours of work; parental leave; annual leave; personal, carers and compassionate leave; notice of termination; and redundancy and long service leave.

This bill is very important to many people in my electorate of Canberra and to the country. As the former government rolled out AWAs in the Public Service on a take it or leave it basis, many public servants in my constituency had no choice but to enter into AWAs. During the election campaign, as I have said, so many people in my electorate, who were on AWAs but did not want to be on them, were telling me stories about their lack of choice. They were pleased that Labor would abolish AWAs—in fact, relieved—and that we had announced a detailed plan for the transition to Labor’s Forward with Fairness industrial relations system.
I want to absolutely reinforce the comments of the previous speaker, the member for Parramatta, and others on the effect that this whole Work Choices regime had and was going to continue to have on families and individuals in the community. Family life today is not easy. There are so many pressures, so many things to do. There are so many instances where a particular practice under the previous government’s industrial relations rules made it very difficult for families to lead a sensible life, a life where they could enjoy themselves. The pressures were enormous.

I remember very clearly one young woman in my electorate who was working in a food outlet. She was receiving so much money per hour. The owner came along, under these rules, and said, ‘You’re now going to be receiving this much instead.’ It was dramatically less. She had no choice. It was a case of take it or leave it. She left it. She was not going to allow herself to be abused under the industrial relations system that existed. When her father told me this story, I said to him, ‘There’s only one thing we can do about this and that is kick the system out.’ He said: ‘We have no choice; we must kick it out. It’s unfair, it’s undemocratic.’

As the previous speaker—the member for Parramatta—said, that thing called a pendulum had gone so far, to an extreme level, that I think many small businesses and many business people themselves were also feeling a bit of discomfort with the system. That is the point. The saddest thing for me about the whole debate over the last two or three years was the absolute denial by the government of the day of hearing any of these messages. As I said a few moments ago, not only was there a denial but they attacked and derided those who had a view different from theirs. The proof of the pudding is in the eating, as they say. This system has been rejected by the people of Australia in no uncertain terms. I am very pleased that we will now have an open and honest debate on industrial relations. We will have a system that is open and honest. It will contrast dramatically with where we were going and where we had been led in the last two or three years.

I am particularly proud to be part of a government that is bringing fairness, equity, accessibility and a fair go back into the most important piece of public policy that we could wish for—that is, the industrial relations area, where people’s lives depend entirely on how they can relate to each other, their employer and their fellow employees at their workplace. Nothing can be more basic than that. I am very proud to stand here and endorse this legislation, and I am proud to be part of a government that is attempting—and will succeed—to bring that fairness back to that basic level in Australian society.

Ms VAMVAKINOU (Calwell) (1.36 pm)—In the lead-up to last year’s federal election, federal Labor were unambiguous in our commitment to abolish the Howard government’s unfair and unpopular Work Choices laws. The promise that we made to the Australian public was that Labor would create a fairer and simpler workplace relations system in Australia, one that reflected the needs of modern Australia and one that struck the right balance between the needs of employees and employers. This is a commitment that I made to the people of my electorate of Calwell and one that federal Labor made to millions of workers across the country. A key part of that commitment was the abolition of the Australian workplace agreements, or AWAs. AWAs had rapidly become synonymous with the Howard government’s unfair Work Choices law. Under Work Choices, employers used AWAs to dictate terms and conditions to employees that often annulled the most basic rights and protections that Australian workers fought so hard to secure. Overtime, penalty rates, meal
breaks, leave loadings and a host of other conditions all fell victim to the onslaught of Work Choices and the unfair AWAs. Hard-working Australians and their families, including workers who live in my electorate of Calwell, were left to pay the price. In concert with the pre-election commitments that federal Labor made to restore fairness and balance to Australian workplaces and to introduce sensible transitional arrangements to allow those employers and employees using AWAs to prepare for the full implementation of the government’s new workplace relations system in 2010, I am happy to speak to the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008 currently before the House.

In essence this bill begins the substantive work of overhauling Work Choices by introducing legislation that will see an end to Australian workplace agreements as well as the implementation of a new no disadvantage test to replace the previous government’s fairness test. This bill seeks to amend the Workplace Relations Act 1996 in order to prevent the making of new Australian workplace agreements from the bill’s commencement date; to provide for transitional arrangements through the creation of interim transitional employment agreements—or ITEAs—to run to 31 December 2009; to replace the existing fairness test with a genuine no disadvantage test that will apply to all workplace agreements; and to allow for the modernisation of federal and former state industrial awards by 31 December 2009. Each of these amendments is consistent with the policies and commitments contained in federal Labor’s 2007 Forward with Fairness policy and the Forward with Fairness policy implementation plan. They signify the first step in this government’s plans to implement a fairer workplace relations system that is intended to be fully operational by 1 January 2010.

Item 1 of the bill repeals and replaces section 326 of the 1996 act to prevent the making of new Australian workplace agreements from the date this bill comes into effect. It also maps out transitional arrangements for those employees currently on AWAs through the establishment of individual transitional employment agreements. ITEAs will only be available to employers who on 1 December 2007 employed a worker under an individual statutory agreement, including an AWA. This restriction is designed to prevent employers who currently do not employ staff under AWAs from signing new workers up to AWAs before the bill’s commencement date. Importantly, ITEAs cannot be used to strip existing employees of their collective agreements. As the bill sets out, ITEAs will be available until the completion of the award modernisation process and the implementation of the government’s Forward with Fairness reforms—all will have an expiry date of no later than 31 December 2009. The bill also provides that an ITEA must be made with an employee prior to their commencing employment or under specific circumstances no longer than 14 days after they are employed. Once an ITEA or an existing AWA expires, employees are empowered under the bill to enter into negotiations over, and approve, new collective agreements. The bill also guarantees the right of employees to take part in secret ballots for protected industrial action. Both ITEAs and collective agreements will be subjected to a new no disadvantage test, which is introduced under division 5A of the bill to replace the existing fairness test. In essence, an ITEA needs to be lodged with the Workplace Authority Director and will pass the no disadvantage test only if it is deemed not to disadvantage an employee against an applicable collective agreement or the Australian Fair Pay Commission standard and only if it does not lead to an overall reduction in an employee’s
terms and conditions of employment. The same mechanisms will also apply to collective agreements, which again are only permissible if they do not disadvantage employees against the Australian Fair Pay Commission standard or an applicable or designated award.

Under the bill, the Workplace Authority Director is also charged with the power to designate an award or amend an existing award where appropriate. When it comes to collective union and non-union agreements and ITEAs for existing employees, they will only take effect after they have passed the no disadvantage test and are approved by the Workplace Authority Director. ITEAs for new employees would apply from the date of their lodgement with the Workplace Authority Director but would cease to exist where they had been found to fail the no disadvantage test. Under these provisions, this bill abolishes Australian workplace agreements in favour of new interim transitional employment agreements that will have an expiry date of no later than 31 December 2009. It also replaces the previous government’s fairness test with a new and genuine no disadvantage test that is designed to protect the basic rights of all working Australians. The new no disadvantage test will also apply to negotiated collective agreements.

Importantly, however, this bill will also make it impossible for an employer to unilaterally terminate a collective agreement once it has expired or to force employees to accept a new set of minimum standards and conditions that would make them worse off. Instead, the termination of a collective agreement will require approval from both parties and throughout employees will continue to be entitled to whatever award or workplace agreement would have applied to them but for the terminated agreement. For employees already on an AWA, the bill allows them to make and approve a collective agreement without having to terminate the AWA and to also take part in a secret ballot to seek protected industrial action. In the charged atmosphere surrounding the Work Choices debate, this bill seeks to balance the needs of both employees and employers and to put into place arrangements that facilitate a seamless transition to a simpler, fairer and more balanced workplace relations system in Australia.

There is one other aspect of the bill that I would like to address before concluding, namely the amendments it contains to begin the process of award modernisation for the establishment of a modern award system for Australia. Item 9, part 10A, sets out the parameters of the Australian Industrial Relations Commission’s powers to establish a modern awards system at the request of the minister. The bill stipulates that the Australian Industrial Relations Commission must give regard to an awards system that is simple and easy to understand and that reduces the regulatory burden on business; that provides a fair minimum safety net of enforceable terms and standards; that is economically sustainable and promotes flexible work practices; and that is in a form that promotes collective bargaining.

Establishing a modern award system that balances the need for flexibility with the protection of basic rights and conditions at work is absolutely crucial when it comes to developing a fairer industrial relations system, one that reflects the changed realities of today’s workplaces. The matters to be dealt with under modern awards include the following: the minimum wage, the type of employment that employees want to be involved in, arrangements for when work is performed, overtime rates, penalty rates, annualised wage and salary arrangements, allowances, leave, superannuation and consultation, representation and dispute settlement procedures. Each of these items will form the...
backbone of a new modern awards system, which will in turn furnish the basic building blocks for a fairer, simpler and more balanced workplace relations system in Australia. These awards and the protections they offer to working Australians are the very same as those targeted by the previous government’s unfair Work Choices laws, laws under which it became possible for employers to impose AWAs that wrote out many of the fundamental rights that have long protected Australian workers and their families.

This bill will speak to countless workers across Australia, including those who live in my electorate of Calwell. It begins to put in place transitional arrangements aimed at creating an industrial relations system built on fairness and balance, one that faithfully reflects the needs of modern Australia. It begins to dismantle the destructive legacy of Work Choices, a legacy that an overwhelming majority of Australians want to see an end to in the interests of decency and fairness. It is for this reason that I strongly commend the Workplace Relations Amendment Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008 to the House.

Mr MARLES (Corio) (1.46 pm)—Having been at the coalface and having seen firsthand over a number of years now the unfair impacts that the Work Choices laws have had under the Howard government on so many working Australians, it is an utter joy to be standing here today speaking in support of the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008. At the heart of the Howard government’s Work Choices legislation was the unfair legislated scheme of individual contracts, Australian workplace agreements, otherwise known as AWAs. At the heart of this bill is the removal of AWAs from the Australian industrial landscape. It is item 1 of the bill. In the midst of all the unfairness in the Work Choices legislation—the way in which it attacked the safety net of award terms and conditions, the way in which it provided an unbalanced set of laws for how employers and employees related to each other, the way in which it attacked trade unions and the way in which it abrogated our responsibility to have freedom of association and legislation in this country—at the end of the day the critical thing was that it sought to replace collective bargaining, in one form or another, as the cornerstone of our industrial relations system and replace it with a legislative scheme of individual contracts, Australian workplace agreements.

In the hierarchy of agreements, which is really the central piece of architecture in any industrial relations system, the Work Choices legislation placed AWAs right at the top. When a single worker tries to negotiate one on one with their employer, it is not rocket science to understand that they do so from a disadvantaged position of power. It is the employer who gets to say what the employee has to do, it is the employer who has the right to hire and fire, it is the employer who pays the wages of the employee—and for those reasons over the last 150 years employees have banded together, often through trade unions, to try and negotiate as a group and maximise their bargaining power. That simple idea is really at the heart of what is now understood internationally to be an international human right. It is at the heart of virtually every industrial relations system of every developed country in the world. It is at the heart of a range of ILO conventions to which Australia is a signatory and, in theory, we were obliged to uphold the terms of those conventions over the last 11 years. Of course, the ILO’s Committee of Experts said on a number of occasions that the industrial relations legislation of the Howard government in its various forms failed to meet the terms in those conventions. That meant that
the legislation placed employers in an unprecedented position of power in relation to their workforce, an unprecedented position of power where they could ask their workers to do more work for less money.

It is important to understand the difference between that legislated scheme of individual contracts and a common-law scheme of individual contracts, because any notion that the reason that AWAs were put in place was to provide some incentive to employees to work harder, and that there would be reward for working harder, is absolute nonsense. Of course, throughout the entire history of industrial relations in this country employers have always had the right to reward extra effort on the part of an individual through common-law individual contracts. But the difference is this: throughout most of the life of our industrial relations system in this country, in every one of its terms a common-law individual contract must have been better than whatever the safety net, which has been the predominant industrial relations instrument in the workplace, was. Australian workplace agreements, on the other hand, were quite different to this. All they needed to do to become effective in law was to pass a fairness test measured against a handful of conditions, which often meant that in a workplace where there was a collective agreement in place and where there was an established set of collective conditions, measured against the fairness test an individual legislated AWA was able to provide a set of conditions which were in fact far worse than the collective standard in that workplace. As a result, even though it met the fairness test, it gave rise to a very unfair result. That needs to be seen as the reason why the Howard government put in place its system of AWAs. It was not about rewarding the effort of individuals; it was a legislated scheme, the purpose of which was absolutely about undermining collective standards of employment.

One has to say that, in that aim, this legislated scheme of AWAs was quite successful. That famous set of figures which was ascertained from the budget estimates process in May 2006 showed that, after the first month of operation, every AWA that had been registered cut at least one award condition and that 63 per cent of AWAs cut penalty rates, 64 per cent cut annual leave loadings, 52 per cent cut shift work provisions, 48 per cent cut at least one monetary allowance, 36 per cent cut declared public holidays—and the list goes on and on. Of course, having discovered how toxic that particular set of figures was, the Howard government made sure that the figures around AWAs were never released again.

To properly understand how unfair these Australian workplace agreements are, one can look at the ways in which laws govern the way we engage in contracts in other aspects of our lives. If you look at the commercial context—for example, the Trade Practices Act—you can point to the example of Victorian chicken farmers. They found themselves in a position of poor bargaining power in relation to a number of key chicken producers such as Steggles and Inghams. Because they felt they were unable to bargain fairly, one on one, with those chicken producers, they went to the ACCC and sought an authorisation to negotiate collectively with those chicken producers. In the ordinary course of events, that would be collusive conduct under the Trade Practices Act. But when the ACCC looked at that they said it was fair enough. The said that it is difficult to ask a single chicken farmer to negotiate, one on one, with a large chicken producer. So they authorised those chicken farmers to have the right to negotiate collectively with the chicken producers.
At the end of the day, under the Trade Practices Act, that represents a form of a collective bargaining right. Yet, under the legislated scheme of AWAs, under the John Howard legislation, you did not have any of that. The common law, which regulates the way in which we engage in normal contracts, contains notions of fairness and equality of bargaining power. Yet there is none of that in Australian workplace agreements. So you could have an employee who is earning $50,000 a year being asked to negotiate, one on one, with a multibillion-dollar employer. People might say that that happens indirectly throughout our lives—we buy a can of Coke from Coca-Cola and we engage in a mortgage with a large bank—and that is true. But in each of those situations there is the ability to shop around, and that happens in a competitive market. The most significant of those contracts, a mortgage, might consume 40 per cent or nowadays even 50 per cent of somebody’s income. But a contract of employment represents 100 per cent of somebody’s income. So we had a situation whereby the single most important contract that anybody will ever sign was regulated by a system of law which had no entrenched sense of fairness within it.

For that reason it is fair enough to make this claim: there was no other law in the land which placed one person so much at the mercy of another as John Howard’s system of Australian workplace agreements. AWAs were a stain on our law and they made this country an industrial pariah. That is why it is item 1 of this bill to get rid of AWAs. But we do not seek to do that overnight. There is a sensible transition process in which this will occur. The bill provides for the establishment of individual transitional employment agreements, which will be allowed to be entered into right up until the end of next year. This is not by any means shock treatment in ending AWAs overnight, in terms of their application—albeit new AWAs will not be able to be entered into once this bill becomes law. Rather, what we see with this bill is a gradual phasing out of Australian workplace agreements.

The bill provides for a number of other things. It provides for a fairness test—

Mr Hockey—I thought you got rid of it!

Mr MARLES—It provides for a proper fairness test and getting rid of the so-called fairness test that the last government had in place. It provides for a comprehensive no disadvantage test which will be measured against the relative instrument in the workplace, which is how it should be. It provides for proper handling of agreements so that they will only commence when the Workplace Authority Director has approved them, and there will be no unilateral termination of collective agreements on the part of an employer. The bill removes the insidious workplace relations fact sheet—Howard government propaganda which was put in the hands of employers, who were then obliged to distribute it to every one of their employees. Imagine this: we had a conservative government which was trying to stand for the idea of small government not intervening in people’s lives, yet it came up with a piece of legislation that put a piece of propaganda in the hands of employers and directed that they distribute it to every one of their employees. It is hard to think of a more interventionist piece of legislation, yet it characterises the whole attitude of the Howard government to industrial relations throughout its entire 11 years. It was the most interventionist government this country has ever seen.

This bill will get rid of that insidious piece of propaganda. The bill will also seek to begin the process of improving the safety net. We will have an award modernisation process, unlike the one the previous government had in place, which will seek to retain all the
good things that are embraced in awards which have come from 100 years of learning. But it will also acknowledge that awards in their current form are cumbersome and complex. Every player in the industrial scene understands that. It will be about trying to make a modernised system of awards for the 21st century. This bill is only a start in dismantling the unfair Work Choices laws, and there is of course much more to come. But it does address the immediate issue and the worst aspect of the Howard government industrial laws, and that is the legislated scheme of Australian workplace agreements. When this bill is passed, it will remove a blight from Australia’s industrial landscape and the law books of this country. I commend this bill to the House.

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.

QUESTIONS WITHOUT NOTICE

Economy

Dr NELSON (2.00 pm)—My question is to the Prime Minister. I refer the Prime Minister to statements by Westpac’s chief economist, who said:
Confidence on issues such as employment, inflation, international conditions and overall economic conditions has collapsed …

Given that the Prime Minister has inherited the lowest unemployment rate in 34 years, why has business confidence collapsed under the Prime Minister’s government? Does the Prime Minister really understand the impact of what he is doing to businesses and families across Australia?

Mr RUDD—What I know for a fact is that when the government was elected it inherited the highest inflation rate that this country has had in 16 years—fact 1. What I know for a fact is that when the government was elected this country was suffering from the second highest interest rates in the developed world—fact 2. What I know for a fact is that, as of the December quarter last year, this country was experiencing zero productivity growth—fact 3. What I also understand—

Mr Hockey interjecting

Mr RUDD—Talking things down, Member for North Sydney, in terms of recent remarks by you on prospects for the economy? I think the member for North Sydney should reflect on that.

Mr Hockey interjecting

The SPEAKER—Order! The honourable member for North Sydney will cease interjecting.

Mr RUDD—Fact No. 3 is that, as of the December quarter, when the government was elected, we were experiencing productivity growth which had plummeted to zero. Here’s fact No. 4: if you look at the influx of capital which came into the public revenue as a consequence of the resources boom—hundreds of billions of dollars—and look for a single substantive item whereby those opposite, when they were in government for 12 long years, invested anything of substance in the long-term productive capacity of this economy, you will be hard pressed to find anything. That is as demonstrated by the most recent report by the Business Council of Australia, which the last time I looked was not a subunit of the Australian Labor Party, particularly given their funding activities for various campaigns prior to the last election, I seem to recall.

And fact No. 5 is this. Despite record terms of trade, and despite the fact that these terms of trade have now been registered for something in the vicinity of five years, what we have seen is something like 65 consecutive monthly trade deficits, a current account deficit running at seven per cent and a foreign debt which has ballooned out by a fac-
tor of three to $530 billion—and those opposite stand at the dispatch box and say that they handed the economy to the incoming government of Australia in perfect order. You’ve got to be dreaming!

Dr Mohamed Haneef

Mr DREYFUS (2.03 pm)—My question is to the Attorney-General. Will the Attorney-General inform the House of what the government is doing to ensure public confidence in Australia’s counterterrorism arrangements following the case of Dr Haneef?

Mr McCLELLAND—I thank the honourable member for Isaacs, who in fact brings considerable legal expertise to this parliament and makes a most welcome addition; he has a lot of ability. Before the election the government committed to holding an independent judicial inquiry into the case of Dr Haneef. As I announced this morning, we are honouring that commitment by establishing an inquiry to be conducted by a former New South Wales Supreme Court judge, the Hon. John Clarke QC. An independent inquiry is needed to establish the facts to ensure public confidence in Australia’s counterterrorism arrangements.

I should say that since becoming Attorney-General I have formed the view that our agencies are operating to a high standard but that Australians are entitled to be assured that our national security agencies are functioning the best they possibly can be, in terms of both individual agency expertise and also collectively and cooperatively. I note that this has been recognised by at least some members of the opposition. For example, according to AAP this morning, Senator Birmingham has said that the nation needs to have faith in its security services. To quote the senator:

If an inquiry is required to ensure that faith is maintained in the community then that’s important. With respect, he is absolutely right.

The Clarke inquiry will be an opportunity to obtain a factual account of the matter from an experienced and independent former judicial officer. Mr Clarke will conduct a rigorous and independent inquiry to enable informed consideration of the lessons to be learnt from the Haneef case and of any potential improvements to how our national security and law enforcement agencies work and cooperate in counterterrorism matters.

Mr Clarke has indicated he will conduct the inquiry in a way which ensures the protection of national security information, ongoing investigations and upcoming overseas trials. But he has also indicated he will ensure that there are opportunities for the public to input into the inquiry, including by advertising for submissions and conducting public forums on the operation of our counterterrorism laws and arrangements.

Australians are entitled to know what really happened in the Haneef case. I see the opposition has taken the position that the inquiry into the Haneef case should be conducted by the Australian Commission for Law Enforcement Integrity. The problem with that proposal is that the commission is only able to investigate corruption; it cannot investigate non-corruption issues. It is also unable to look at all of the agencies that were involved in the Haneef matter. With respect to shadow ministers, such an inquiry would be totally inadequate. National security should be above politics, and I would hope and expect that all members would fully support the inquiry. I repeat: it is important to ensure faith in our security agencies after the Haneef matter and to ensure that our agencies are operating as effectively as they possibly can be, individually and collectively. The government has asked the Clarke inquiry to report by 30 September this year.

Mr Clarke has been asked to present a report
that can be made public and which, if necessary—because of national security considerations—may be supplemented by a confidential report.

In conclusion, the establishment of the Clarke inquiry will enable all the information about the Haneef case to be properly assessed in an independent manner and for the considered recommendations to be made to improve the functioning of our security agencies individually but, most importantly, collectively in the interests of a whole-of-government approach to national security.

Workplace Relations

Ms JULIE BISHOP (2.07 pm)—My question is to the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. Given that today’s employment figures prove the government has inherited the lowest unemployment rate in 34 years, will the minister now release a report commissioned by her department which conservatively estimates that Labor’s industrial relations changes will increase unemployment by up to 2.4 per cent, with job losses of up to 268,000? How can the minister claim there will be no job losses as a result of the new government’s law? Does the minister really understand the impact of her laws on jobs for Australian workers and their families?

Ms GILLARD—I thank the honourable member for her question. Unfortunately, in the way she has premised her question, she has misled the House. And she would be aware that she has misled the House, because the Econtech report that she refers to—a copy of which, I presume, was taken from government offices when the former members of the government left and was released to a newspaper—which appears in the newspapers today, does not model Labor’s industrial relations policy.

Opposition members interjecting—

Ms GILLARD—Isn’t it interesting that we are getting cries of ‘release it’ from across the chamber, when this was a report prepared for the former government and they did not release it—presumably because when they were in government their standards were a little bit higher and they knew how laughable it was. But in the short walk from this side to that side, their standards have slipped lower and now they want something released which they obviously viewed as so laughable that it was not worth releasing. I say again to the member who misled the House: the Econtech report does not model Labor’s policy on its own terms. Are you going to apologise for misleading the House?

Ms Julie Bishop—Mr Speaker, I rise on a point of order. A report commissioned by the minister’s department is precisely that. If she has a substantive motion to make, she ought to make it.

The SPEAKER—There is no point of order.

Ms GILLARD—The report was received by the former government, which did not release it, presumably because they were of the view that it was laughable—and it was laughable because it did not model anybody’s industrial relations policy. The former government, in pursuit of their Work Choices campaign—a campaign they are still pursuing now—decided to deliberately feed in stupid and incorrect assumptions in the hope of getting out of the process something that they could politically use. Interestingly, when they were in government, they decided that this report could not be used by them even for that purpose. On the question of the impact of Labor’s laws—

Ms Julie Bishop—On jobs.

Ms GILLARD—The member opposite who is interjecting might like to listen to the answer. It would seem to me passing strange that, if the member genuinely believes that
Labor’s laws are bad for jobs, she is not opposing them—and when she went into her party room saying that she wanted to oppose them she was repudiated at the highest level of her party. On the question of the impact of Labor’s laws, can I say that Labor’s laws are calibrated to be good for productivity, good for collective bargaining—

Mr Hockey interjecting—

Ms GILLARD—Productivity increases are good for the economy. They feed into a cycle that is good for the economy, including all economic indicators. Labor’s policy is of course about fairness at work—something members opposite never understood when they sat on this side and do not understand now when they sit over there. They do not understand that there is nothing fair about people going to work and having pay and conditions ripped off them. The member for North Sydney interjects: ‘There is nothing fair about people losing their jobs.’ Absolutely. That is why we are fixing the unfair dismissal laws. It was possible under Work Choices—your laws—and it is still possible under Work Choices today for an excellent worker who has done nothing wrong, who works in a business with fewer than 100 employees, to be dismissed without any reason and get no remedy. So do not sit there and tell me that it is good for jobs that an excellent worker who supports a family could be dismissed without reason or remedy—your laws; your industrial relations extremism; and more nonsense from the party of Work Choices.

The SPEAKER—Order! In future, the Deputy Prime Minister will assist the chair by not taking the member for North Sydney’s interjections as a supplementary question, and the member for North Sydney will not interject.

Fuel Prices

Ms OWENS (2.13 pm)—My question is to the Prime Minister. Will the Prime Minister outline the factors behind the rising cost of petrol and the impact this is having on working families?

Mr RUDD—I thank the honourable member for Parramatta for her question. The House would be aware that we are experiencing a period of major instability—

Opposition members interjecting—

The SPEAKER—The asking of a question of the Prime Minister was not an invitation for those on my left to start baying. The answer should be heard in silence.

Mr RUDD—The House would be aware that at present across the global economy we are experiencing considerable instability in global financial markets. There is great uncertainty across the global economy, and it is uncertain still in terms of how circumstances will evolve. We have very tight credit circumstances in financial markets, weaker stock prices and global commodity markets. But, on top of that, we have had recent significant moves on the overall price of petrol. Overnight crude oil prices reached a historic record high of $US110 per barrel on global markets. The soaring crude oil price reflects a strong global demand against what, of course, continues to be limitations in global supply.

These factors compound the cost of living pressures for working families. When working families are dealing with interest rates going higher and higher, 12 on the trot—when they are added to the cost of child care, added to the cost of groceries and added to other cost pressures affecting the family budget—it is important that government does everything within its power to assist working families under financial pressure.
When you look specifically at petrol prices, the numbers are significant in themselves. Petrol prices have risen 14.3 per cent in the past year. That is four times the rate of inflation. In the five years to December 2007, the official measure of automotive fuel prices recorded an increase of 50 per cent. That is why the government is absolutely committed to taking every reasonable step to boost competition within the petroleum industry in order to ensure that motorists do not have to pay a single dollar more than is necessary at the bowser.

Opinion members interjecting—

Mr Rudd—I find it interesting, again, to see the mock outrage from those opposite, from whom we saw such action, such commitment and such passion on how to enhance the powers of the competition regulator in this space. The member for Higgins knows precisely what I am talking about, since this week he has emerged from his laptop. That is, he had 11½ years to give proper powers to the competition policy regulator to conduct proper investigatory arrangements when it came to the petroleum industry and failed to do so—until Labor in opposition indicated that we were about to appoint a petrol commissioner. Then, hold the phone, suddenly he had a plethora of activity on the part of those opposite; 11½ years of inaction, inertia, nothing, then—six months before an election—whoops, we have the alternative government recommending the establishment of a petrol price commissioner. Then, hold the phone, the member for Higgins says, ‘I’ve suddenly got an interest in the area.’

This government has announced the appointment of a petrol commissioner to oversee the monitoring of fuel prices in Australia, including LPG and diesel. He will also provide an annual report on the ACCC’s findings. The ACCC’s recent inquiry into the price of unleaded petrol raised several matters that the petrol commissioner will be reviewing as part of his role, including, firstly, a detailed examination and ongoing monitoring of bio-cell arrangements; secondly, an audit of terminals suitable for importing refined petrol into Australia, covering terminal capacity, use and leasing and sharing arrangements; and, thirdly, ongoing monitoring of the use, leasing and sharing of terminals suitable for importing refined petrol into Australia. These are all factors which will have an effect on competition in the retail petrol sector and on prices at the pump.

The government has also directed the ACCC to monitor the prices, costs and profits relating to the supply of unleaded petrol products in the petroleum industry, including imports, refining, wholesaling and retailing. The government is actively considering all of the ACCC’s recommendations, including options to increase retail price transparency. Once we have worked through those options exhaustively we will have more to say.

I can say, on behalf of the government, that in three months we have acted on these matters. After 12 years, from the party opposite, we had nothing more than a litany of inaction and lack of interest. And, added to the other cost-of-living pressures on working families, we had a party opposite which had simply lost touch with the interests of working families.

Mr Randall—Mr Speaker, I rise on a point of order. Can I ask that the Prime Minister table the document that he read everything from?

The Speaker—Was the Prime Minister reading from a document? Was the document confidential?
Economy

Mr TURNBULL (2.19 pm)—My question is addressed to the Treasurer. I refer the Treasurer to the statement of the Reserve Bank Governor, Glenn Stevens, on 11 December last year when he said:

When people expect prices to rise rapidly, they bring forward purchases, put up their own prices, demand higher wages and so on. That helps to create the very inflation they expect.

Does the Treasurer accept that his statement the day before the Reserve Bank met in February that ‘the inflation genie is out of the bottle’ served to fuel inflationary expectations? Does the Treasurer really understand what he is doing to the Australian economy?

Mr SWAN—I thank the member for his question. No, I do not accept that at all. I absolutely do not accept that. We have a plan to modernise this economy. We have a plan to deal with the legacy that was left to this government by the previous government—the highest inflation in 16 years. Inflation just did not suddenly commence at 9 am on 26 November, as the member opposite would pretend. There is an inflationary problem in this country and, when we see a problem, we have to correctly identify that problem and we have to deal with it, and that is what this government has been doing. We have been dealing with the inflationary problem left to us by those opposite by putting in place our five-point plan, by reining in reckless expenditure. We had the report from the Treasury the other day which identified the fastest increase in spending in any four years in the past 16 years. Of course, the member for Wentworth, as usual, went into denial. The member for Wentworth is in denial about the inflation rate. He cannot agree with the ABS. He cannot agree with the RBA.

Mr Turnbull—Mr Speaker, I rise on a point of order. I ask the Treasurer to table that report from the Treasury, which he knows is not a Treasury report at all.

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

Mr Turnbull—Table it!

The SPEAKER—Does the member for Wentworth wish to allow us to proceed now, or is he above it?

Mr Hockey—Mr Speaker, I think that comment was uncalled for.

The SPEAKER—Regrettably, if it takes those sorts of comments to get members of the chamber to respect the chamber, even if people are offended, that might be the problem.

Mr Adams interjecting—

The SPEAKER—The member for Lyons is not helping.

Mr SWAN—This country does face serious challenges—the highest underlying inflation in 16 years, and predicted by the Reserve Bank to stay there for two years. This government will not stick its head in the sand like those opposite. We had the member for Wentworth some weeks ago say that inflation was a fairy story. Tell that to the people who have had eight interest rate rises in the last three years. It is not a fairy story. Last year we had the member for Wentworth say that interest rate rises had been overdramatised. He does not have a clue about what life is like around the kitchen table—because inflation is the enemy of working Australians; it erodes their savings and it erodes their living standards.

This government has put its hand up from day one to tackle the inflation challenge that was left to us by the member for Wentworth and the member for Higgins. The member for Higgins said in July last year that inflation was right where he wanted it. Well, heaven help us if inflation was right where he wanted it. It was at a near 16-year high, as
it turns out, when he made that statement. So we have put up our hand to accept responsibility. Everyone on this side of the House accepts responsibility for dealing with the inflation legacy left to us by those opposite. We have put up our hand to accept responsibility; why won’t they just put up their hand and accept responsibility for creating it?

**Economy**

Mr SYMON (2.25 pm)—My question is to the Treasurer. Will the Treasurer update the House on the latest labour market figures released today and the government’s plans for sustainable jobs growth?

Mr SWAN—I thank the honourable member for his question, because the jobs figures today are good figures.

Opposition members interjecting—

Mr SWAN—Everybody on this side of the House celebrates the jobs figures today, but they cannot understand why the member for Wentworth and the member for North Sydney have been talking about a recession. We say that these figures are certainly welcome.

Opposition members interjecting—

Mr SWAN—we are getting the ‘me too’. Will you put up your hand for the highest inflation in 16 years? Will you put up your hand for the worst productivity performance in 16 years?

Opposition members interjecting—

The SPEAKER—Order! The House will come to order.

Mr SWAN—The figures are good news, particularly for those Australians who have good jobs. We all celebrate that. We are the party of jobs. It goes to the very core of our existence. We would never do what those opposite do, which is put in place legislation like Work Choices, which ripped away wages and working conditions. We on this side of the House have some core beliefs—unlike those on that side of the House, who have no core beliefs anymore. So we celebrate. We celebrate the jobs figures today. An extra 36,700 jobs were created in February—a very solid increase in full-time employment and very good as well in the states of New South Wales, South Australia and Victoria. We celebrate those outcomes.

But there are challenges. If we want to continue to have strong jobs growth we have got to control inflation; we have got to lift our productivity. We can have strong growth if we can lift our productivity and control inflation—and that is what we on this side of the House are doing. It means fighting inflation, it means investing in the productive drivers of growth and it means dealing with the skill shortages.

Only yesterday we had the member for Wentworth give a speech—a spectacular speech. There were 4,000 words in that speech but not one positive alternative policy or solution—not one. There were 4,000 words in that speech, but he could not come up with one positive policy alternative—and we know why: he does not have a plan to control inflation. He has not got his eye on what is going on with inflation. He has not got his eye on what is going on with productivity. He has not got his eye on anything. He has one plan. It is a plan for the Leader of the Opposition—a question of when. Put him out of his misery and take him out.

The SPEAKER—Order! The Treasurer will put down the sign he is holding up.

**Economy**

Mr DUTTON (2.29 pm)—My question is to the Prime Minister. Is the Prime Minister aware that consumer confidence in our economy is plummeting, with the March Westpac-Melbourne Institute survey showing the lowest level of consumer confidence since 1993 and the March Sensis consumer survey showing the biggest fall in consumer confi-
dence in the history of the survey? Given that the government has inherited the strongest economy in a generation, does the Prime Minister really understand what he is doing to consumer confidence in our country?

Mr RUDD—As I said in response to a question in the House yesterday, the government is entirely mindful of the most recent findings in the consumer confidence index. I referred to that extensively yesterday and to the contributive factors to it, one of which of course is the rolling impact of what we have across the global economy, and Australia is not immune from that impact. The subprime crisis is unfolding in terms of consumer credit. It has had ramifications in revisions downwards in growth in the United States, in the United Kingdom, in the rest of Europe and in part in Japan, and Australia is not immune from that in terms of overall economic consequences and, flowing through that, consumer confidence as well. Of course there is a second factor driving all that as well, and that is the rolling impact of having inherited very high inflation rates vis-à-vis the last 16 years, and the second highest interest rates in the world. If consumers therefore have to pay 12 interest rate rises in a row, it has an effect on the way consumers feel. That is a consequence of previous policy settings, which this government inherited.

The question, however, is: what do we do about it? As I have said before, we need to embrace a program of action for the future which is robust in terms of the proper management of public finances, is designed to enhance private savings and is intended to invest in proper skills formation across the economy to deal with capacity constraints in the economy and to invest also in infrastructure bottlenecks—which have been the subject of 20 separate warnings from the Reserve Bank over time, ignored by all those opposite in the period in which they occupied the Treasury benches—as well as to boost participation in the workforce. This is a framework of action, but, if you look at each subset of that as it has been applied over the last 12 years by those who preceded us, you see instead inaction and inertia on every count.

We have been in office for three months, to identify where precisely the previous government took the capital available to them from the public revenue—hundreds of billions of dollars over time—and where that money was landed. It was not landed in investment in skills. It was not landed in investment in infrastructure. It was not invested in the long-term productive capacity of the economy. Instead, that government effectively pushed it to one side into various forms of consumption. That is no evidence of any forward planning at all.

What we intend to do is to take the responsibility of national economic management seriously and realise that we simply should not reside here as beneficiaries of a terms of trade boom, coming off factors which we nationally have no control of in the future, but instead should carve out a long-term future for the Australian economy based on productivity growth, based on improving our infrastructure and based also on what we do to boost workforce participation. That is a strategy for this country’s economic future, rather than standing or sitting idly by, carking from the sides and pretending that somehow, as a consequence of that, something materially changes.

I remind all those opposite that they had 12 long years to act on this—12 long years to act on these fundamental capacity constraints in the economy, 12 long years therefore to act on what turned out to be cumulative pressures on inflation, 12 long years to act on how that impacts on rates and how in turn it
impacts on consumer sentiment. Instead, they sat on their hands and did nothing.

Economy

Ms BIRD (2.34 pm)—My question is to the Treasurer. Will the Treasurer outline for the House the challenges confronting the domestic economy and what the government is doing to meet them?

Mr SWAN—I thank the member for her question, because the Rudd government has set about modernising the economy, increasing its capacity so it can meet the challenges that lie ahead, including international turbulence. Despite the welcome job figures today, the economy is shackled by very poor productivity performance. It is also shackled by high inflation. But of course all of those over there are in denial. If you cannot acknowledge the size of a problem, you cannot be part of the solution. The member for Wentworth wants to stick his head in the sand. It is a dangerous and very risky attitude. Do you want to know why? Because it has produced eight interest rate rises in a row, and that has put Australian families under tremendous financial pressure.

We on this side of the House acknowledge the enormity of the challenge. We have put up our hand to tackle it, and we are working very hard at it. But those on the other side of the House will not acknowledge the problem. The member for Wentworth disagrees with the Rudd government. He disagrees with the Australian Bureau of Statistics. He disagrees with the Reserve Bank when it analyses the reckless spending spree that the previous government went on. He disagrees with the Business Council of Australia when it comes to their criticisms of the previous government’s failure to invest. And, of course, he disagrees with the Australian Industry Group as well. Everyone else is wrong, and the only person right about these basic economic facts is the member for Wentworth. Everybody else is wrong. His uncontrollable arrogance is a risky thing for this country—to have such an irresponsible opposition, in denial about the basic facts of economics. We on this side of the House take our responsibilities very, very seriously, and we will put in place a modern agenda to drive productivity, to bring down inflation, to create wealth and to create jobs.

DISTINGUISHED VISITORS

The SPEAKER (2.36 pm)—We have in the gallery today the Tasmanian Treasurer, Michael Aird. I am sure that the House would wish to give him a warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Counselling Services

Dr NELSON (2.36 pm)—My question is to the Prime Minister. I refer the Prime Minister to his decision, on the one hand, to spend $2½ million on the unions’ Tree of Knowledge at Barcaldine but, on the other, to refuse $800,000 to the Bonnie Babes counselling service for women who have suffered a miscarriage or had a stillborn baby. I ask the Prime Minister: does he really understand the impact that this decision will have on the 12,000 grieving women who use this counselling service every year, and does he really care?

Mr RUDD—in response to the honourable member’s question: we on this side of the House understand the real challenge of grief counselling for those who have, tragically, lost a baby. In the period 2003-05, there were 6,281 perinatal deaths. In 2005 alone, there were 2,213 perinatal deaths. The government currently provides Lifeline with $38.5 million, over the 2004-11 period, for national telephone counselling services which offer counselling for people in dis-
tress. The government is also providing $48,000 to the Australia and New Zealand Stillbirth Alliance in the 2007-08 period for raising awareness and resource development for this sector.

We are also currently undertaking a broader review of maternity services to ensure national coordination of antenatal and perinatal services. Funding for grief counselling would be considered within this context.

I note also that, prior to the election, the then government was approached for funding support by Bonnie Babes but also by a number of different organisations, including the Stillbirth and Neonatal Death Support organisation, or SANDS. Support for these other organisations was not provided by the previous government. When this review of antenatal and perinatal services is conducted and concluded, proper funding for a range of counselling services across the spectrum, including all non-government organisations, will be properly considered and determined.

Dr Nelson—Mr Speaker, I rise on a point of order on relevance. This bureaucratic response does not go to the question about $2½ million for a union tree but not $800,000 for women who have lost their babies.

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

Mr Craig Thomson interjecting—

The SPEAKER—The member for Dobell should be careful about bad habits.

Economy

Mr RIPOLL (2.39 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. Would the minister advise the House about Australia’s infrastructure bottlenecks and their impact on inflation? What is the Rudd government doing to fix these problems?

Mr ALBANESE—I thank the member for Oxley for his question, because it is widely recognised by economists that capacity constraints in our economy do contribute to inflation and do slow growth. I note, however, that in a speech yesterday the shadow Treasurer told CEDA that infrastructure bottlenecks ‘have little to do with inflation’. Why would the shadow Treasurer say that? So desperate is the shadow Treasurer to distance himself from the inflation legacy that the Howard government left—the highest level in 16 years, caused by inaction on productivity issues such as infrastructure and skills—that he is prepared to argue that this is not an issue with regard to inflation at all. We have a shadow Treasurer who is simply in denial, and this shows just how out of touch the opposition is, because, whether it be a need for dedicated freight lines or tackling urban congestion or delays at ports, all of these do have an impact on economic—

Mr Hockey—Mr Speaker, I rise on a point of order. The minister was asked a question about infrastructure; he was not asked to give a character assessment of a member of the opposition.

The SPEAKER—Order! The minister will be relevant to the question.

Mr ALBANESE—The question, of course, asked about Australia’s infrastructure bottlenecks and their impact on inflation. Those on this side of the House think there is an impact on inflation. Those on that side of the House are not only in denial about the linkage; they object to it even being spoken about.

Let us have a look at who does recognise that there is a link between these two economic facts: Infrastructure Partnerships Australia, the Business Council of Australia, CEDA, the Australian Industry Group and Engineers Australia. All of these groups have called for the national coordination of infra-
structure planning and development. So many people are singing the same tune but the coalition are simply in denial and not listening. They are not even listening to themselves. The member for Barker gave an interesting speech in the parliament yesterday about Infrastructure Australia. Of course, I always pay attention to what those opposite say on legislation, because from time to time it is pretty clear there is no discipline in terms of them getting their speaking notes checked by those who run the opposition—well, who knows who runs the opposition at the current time. This is what the member for Barker said yesterday in parliament about infrastructure:

Infrastructure Australia is not actually an original idea. It was the Howard government that in 1996 conceived the idea of a national infrastructure council.

And I thought to myself, as someone who was elected to this great chamber in 1996: I cannot recall any legislation about Infrastructure Australia being created by those opposite; I cannot recall any motions in the parliament about these issues. I cannot recall it because they did not even bother to have an infrastructure minister or an infrastructure department, let alone an infrastructure council. I went back and had a look at what their pre-1996 election statement said. John Howard said this:

I have been struck by the need to improve the coordination of infrastructure policy at the Commonwealth-state level.

So they identified the issue in 1996. They are claiming credit for our legislation in 2008, saying they thought of it in 1996; they just did not get around to introducing it into the parliament—not in 1997, ’98, ’99, 2000, ’01, ’02, ’03, ’04, ’05, ’06 or ’07. Not in any of those years did they get around to introducing the legislation into the parliament.

They sat on their hands and they did nothing. They sat on their hands in spite of the fact that every year budget submissions were made by the business community calling for national coordination of infrastructure and despite the fact that on 20 separate occasions the Reserve Bank of Australia called for coordination of infrastructure. We have done more for advancing the cause of national coordination of infrastructure in 100 days than they did in 12 years. Now they say, very interestingly, that Infrastructure Australia—the body chaired by Sir Rod Eddington, which will coordinate the three tiers of government and have direct private sector representation to coordinate our national infrastructure—is just setting up a committee. It just shows how out of touch they are. They have lost their way. They have no idea what they stand for. They are trying to claim credit for the initiatives that are taking place under the Rudd Labor government after 12 years of neglect of these issues, because they have simply been in denial.

DISTINGUISHED VISITORS

The SPEAKER (2.46 pm)—Before calling the member for Moncrieff, I have had a few notes since my last acknowledgement. I acknowledge the Treasurer of South Australia, Kevin Foley, and the Northern Territory Treasurer, Delia Lawrie. I am sure that the House joins with me in giving them a warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Small Business

Mr CIOBO (2.46 pm)—My question is to the Prime Minister. Is the Prime Minister aware that the most recent Sensis survey of small and medium businesses shows the largest decline in confidence in government policies in the history of the survey? Does the Prime Minister really understand the impact of the government’s policies on Australia’s 2.4 million small businesses?
Mr Rudd—I thank the honourable member for his question. Small business is the engine room of the Australian economy. We on this side of the House are fully supportive of the activities of all those entrepreneurs out there risking capital, working hard and doing their bit to raise an income for their families and to boost the long-term growth of their businesses. That is really important. I will tell you what crushes the confidence of small business, however: when they have to confront one interest rate rise—

Opposition members interjecting—

The Speaker—Order! The question has been asked.

Mr Rudd—after another because a previous government unnamed allowed inflation to get out of control. It is a simple fact that, if you have upward pressure on inflation, what follows is that you get upward pressure on interest rates. That is what has happened—one rise after the other. If you consider the impact on running a business of 12 consecutive interest rate rises on the cost of capital to finance a business’s operation, this has a significant effect on the way in which they view their future operations. When it comes to dealing with this challenge for the future, this is why the government has placed front and centre the need to confront the challenge of inflation—something which the shadow Treasurer regards as being a fairytale and something which various other members opposite—

Mr Ciobo—Mr Speaker, I rise on a point of order. My point of order goes to relevance. The question was about a lack of confidence in the government’s policies—not in the economy but in the government’s policies.

The Speaker—The honourable member for Moncrieff will resume his seat.

Mr Rudd—On the question of confidence, it is fundamentally dealt with: when you have a challenge of rolling interest rate rises, it affects the cost of capital and therefore your future plans for your business. There is a second thing which affects confidence when it comes to small business, and that is a government which sat there for 12 long years and did nothing on the business deregulation agenda.

Mr Hockey—Mr Speaker, I rise on a point of order. My point of order again goes to relevance. It was a question directly about the fact that, under this Prime Minister’s government, small business has the lowest level of confidence ever in government policies.

The Speaker—Order! The member will resume his seat.

Mr Rudd—For 12 years, they had the ball at their feet to do something about deregulation. They had the ball at their feet when it came to doing something about the complex interplay of federal, state and local authority regulatory impacts on operating a business. They had 12 years to actually produce an outcome on this. Instead there has been a red-tape explosion across this country under the 12 years of political tutelage of those opposite. If you are running a small business and have to deal with a mountain of red tape on the one hand and 12 interest rate rises in a row on the other, it affects the way in which you plan the future operations of your business. I would suggest that those raising any substantive question about small business in this parliament should reflect on what opportunities were presented to them over the last 12 years and ask themselves this question: ‘Why did we do nothing about it?’ Instead, embrace a course of action with us to fight the fight effectively on inflation, to put downwards pressure on interest rates and to act decisively on the question of deregulation as it impacts this critical sector of the Australian economy.
Environment

Ms GEORGE (2.50 pm)—My question is to the Minister for the Environment, Heritage and the Arts. Will the minister inform the House about the dangers of reckless spending on environmental schemes with dubious scientific backing?

Mr GARRETT—I thank the member for Throsby for the question. Labor is the party of responsible spending and quality investments in the future. This disciplined approach is central to our five-point plan to fight inflation. We have already begun cutting wasteful spending from the previous era, and we are identifying further substantial cuts beyond the $10 billion of savings we have already announced. But, under the member for Wentworth and the Liberals, across a range of programs it was raining money—literally! When Australian families needed restraint from their government and downward pressure on inflation, the member for Wentworth in particular was treating the public purse with disdain. We know that, a few weeks before the last federal election, he was advised reluctantly by his department to spend at most $2 million investigating supposed rain-making technologies.

This supposed environmental project, called ATLANT, being promoted by a newly formed company called Australian Rain Corporation, was presented to the National Water Commission in August last year, just three months before the federal election. The ATLANT technology, you will be pleased to learn, Mr Speaker, proposed creating a high density of negative ions at ground level, on the assumption that this cloud of ions would float into the atmosphere and enhance cloud formation and therefore rainfall. Unfortunately for the commercial backers of this scheme, evidence presented to the commission cast a serious scientific cloud over their claims. To quote from the scientific review of this negative ion technology:

In our view there is not convincing evidence that the ATLANT technology operates as believed by its proponents, and independent scientific measurements quite a long time ago cast doubt in particular upon the reality of the vertical ion wind.

I have to say that, as a lay scientist I am inclined to agree with that view. They went on to say:

Despite explicit questioning, we have not seen any experimental evidence to support the ATLANT viewpoint. Since this is the presumed way in which the technology operates, this is an important omission.

In addition, the company relied on untranslated documents in the Russian language to back their case! Despite these reservations and a considerable language barrier, and no doubt under some ministerial pressure, the commission reluctantly agreed to conduct further trials and recommended Commonwealth funding of $2 million for this purpose. I would have thought $2 million was a stretch, but the former minister for the environment knew better. He overrode the $2 million and instead sought prime ministerial approval of $10 million of taxpayers’ money to be spent on this project—a ministerial tick-off of $10 million two days into the last federal election. This was a 500 per cent increase in funding for a pet project at ministerial whim. It was simply reckless spending. And with inflation at a 16-year high it shatters whatever claims to competency this opposition and this member have.

The member for Wentworth told working families that they were ‘overdramatising’ rate rises. It reminds me of one of my favourite songs, with a slight pun in it: ‘That was a fraction too much fiction.’ The member for Wentworth was a cabinet minister in a government that gave families interest rate rise after interest rate rise in three years—
The SPEAKER—Order! The minister will resume his seat. The member for North Sydney.

Mr Hockey—Mr Speaker, I just ask the minister to table the song sheet and save us the rhetoric—

The SPEAKER—Order! That is not a point of order. The Member will resume his seat.

Mr Albanese—Mr Speaker, I rise on a point of order. On a number of occasions again today we have had frivolous points of order. You asked that that be drawn to your attention at the time that it was done. I am doing so.

The SPEAKER—I already indicated to the member for North Sydney that it was not a point of order. It probably was the most frivolous of the points of order today. The others were attempts at trying to enter into debate. The minister has the call.

Mr Garrett—in relation to the point of order taken by the member for North Sydney—

The SPEAKER—I suggest that the minister just ignore it.

Mr Garrett—All I can say is that perhaps it was not a pun—perhaps there is a fraction too much friction over there. I will conclude by saying that theirs was a government that gave families interest rate rise after interest rate rise in three years and delivered the highest underlying inflation in 16 years. Under the Liberals it was raining money. And in this case the member for Wentworth was the irresponsible rainmaker.

Small Business

Ms Julie Bishop (2.57 pm)—My question is to the Minister for Employment and Workplace Relations, Minister for Education and Minister for Social Inclusion. I refer the minister to her disparaging comments yesterday in this House about beauticians and similar small businesses. I also refer the minister to her previous attacks on small business, including the Lilac City Motor Inn, Goulburn, and her threat that business should step back from policy debates or it may get injured. Does the minister really understand the negative impact on business confidence from her continuing attacks?

Mr Hockey—She’s laughing at it!

Ms Gillard—I am laughing at the Deputy Leader of the Opposition, but I do thank her for her question. Can I make it very clear to members opposite that of course we value the work performed by all Australians. As I joked with the Leader of the Opposition before question time started, I have certainly valued the services of people who give manicures. And, as a matter of public record, I am very fond of hairdressers—one in particular! So I very much value the contribution of small businesses to the Australian economy.

Let me tell you what small businesses want when it comes to the Australian economy. They want a sense of being included in government policy making. And what is this government doing? We are including them in government policy making. My colleague the Minister for Small Business, Independent Contractors and the Service Economy is doing this generally, but we are specifically doing it in the delivery of our fair and balanced alternative to the extremism of Work Choices. We are working with small businesses in a small business working group so they can give us the benefit of their expertise on questions that they are concerned about and have a view on, including of course unfair dismissals but also the burden of red tape that they object to in Work Choices. Let us remind ourselves that the self-styled advocates of small business over there gave small business an industrial relations system that means they are waiting months at the back of
queues hundreds of thousands of agreements long—

Ms Julie Bishop—Mr Speaker, I rise on a point of order. My question was specifically about the minister’s attacks on small business, which have a negative impact on business confidence. It is at the lowest level ever in government policies.

The SPEAKER—The Deputy Leader of the Opposition will resume her seat. It is not an invitation to repeat the question.

Ms Gillard—I am explaining to the Deputy Leader of the Opposition that this is a government that is including small business in policymaking because we value their views. When we listen to the views of small business about policymaking, what they tell us is they did not appreciate being at the back of a queue hundreds of thousands of agreements long, waiting five, six or seven months for an answer as to whether or not their agreement had been passed by the Workplace Authority. This was the administrative shambles that the former government left to this government to resolve in industrial relations, and resolve it we will by delivering a fair, balanced and flexible system that will work for the needs of small business, which will mean that they are not caught up in endless red tape. But it will do something that members opposite do not understand, never will understand and never have understood: it will extend fairness to Australian working families.

We know that the opposition are opposed to a fair industrial relations system. We know that they are still, with every statement they make, entering into an ode of love to Work Choices and that, whatever they pretend, however they position, they are now and always will be the party of Work Choices and industrial relations extremism. Australian working families who voted last November rejected them because they did not want it. They do not want it now and they will not want it in the future.

Higher Education

Ms Rishworth (3.02 pm)—My question is to the Minister for Education. How does Australia’s higher education system measure up against the world? What action is the government taking to address this?

Ms Gillard—I thank the member for her question. When it comes to Australia’s higher education system, the Rudd Labor government wants to make sure it benefits from a higher education revolution as part of the education revolution. In order to deliver that—and I am glad that the member has raised the important question of higher education—the first steps are to deliver on our election commitments. On this side of the House, we believe in delivering on election commitments; on that side of the House, they are brushed away as non-core a moment after they are made. But we are delivering on our election commitments. We are of course delivering on our commitment to commence the phase-out of full-fee-paying places. I will be very interested when the new shadow minister for education can answer this question: do the Liberal Party still stand for the ability of Australians to buy a place in university over a student of merit? Do they still stand for that fundamental unfairness?

Dr Nelson—Never have!

Ms Gillard—Was that no? Actually, your government introduced that fundamental unfairness, and you might want to clarify that question: whether you stand for that unfairness—

The SPEAKER—Order! The Deputy Prime Minister will address her remarks through the chair.

Ms Gillard—and whether you stand for the ability of university places to not be
allocated on the basis of merit. We are also delivering our policies for more places for nurses and early childhood educators. We are doubling the scholarships available to undergraduates. We are committed to rebuilding student services, and we are of course committed to incentives for maths and science, because they are enabling disciplines where we are in such short supply as part of the skills shortage. But, to deliver a full higher education revolution to this country, we will need to do more. This is a government that not only believes in delivering its promises; it believes in delivering on reform—reform that is necessary to make sure that this is a modern nation ready to meet the challenges of the future.

It is interesting to me that when one moves around the higher education community they still talk about the Dawkins reforms. They are still debating and still talking about the Dawkins reforms. There are views in favour, views against, but Dawkins’s name has become synonymous with higher education reform in this country. There will never be a day when higher education policy people will talk about the Nelson reforms or the Bishop reforms, because they never did anything profound to improve our higher education system. Instead, they had years of neglect interspersed periodically by ideological meddling, the high point of which was the imposition of Australian workplace agreements, their industrial relations extremism, on Australian universities. The sorts of things they stand for are extremism in all places. Reform, promise delivery? Never.

In order to deliver the rest of the higher education revolution, we want to be guided by a review that includes the sector.

Opposition members interjecting—

Ms GILLARD—Whilst the opposition of course are catcalling, this is part of their historic trend of denigrating all things to do with universities. The Leader of the Opposition, when Minister for Education, Science and Training, used to make it an art form, pretending that universities were ivory castles disconnected from the rest of society. On this side of the House, we believe our universities and our higher education system should be treated with respect and we believe what happens in those universities matters to all Australians. What the Leader of the Opposition never understood when he engaged in that denigration of our universities is: you cannot take a kid to the doctor without a university system. Your child in school cannot have all the subject choices they would like without a university system, and you cannot have global research efforts like the invention of the cervical cancer vaccine without a university system. But what did the Howard government do? Denigrated our universities over 12 long years.

Today, to guide us in the delivery of the higher education revolution, I have announced a wide-ranging review. It will be guided by Emeritus Professor Denise Bradley. Professor Bradley is the National President of the Australian College of Educators and a former Vice-Chancellor and President of the University of South Australia—exactly the sort of person that the opposition would denigrate because she is from the higher education system.

Mr Hunt—Mr Speaker, I rise on a point of order. During the course of this week there has been a series of answers to questions which have approached the nature of a ministerial statement. None has been more along those lines than this answer. Given that this is approaching a ministerial statement in nature, I would suggest that it is appropriate that we be given time to respond or otherwise that such statements not be made in answers to questions.
The SPEAKER—The question was in order and the Deputy Prime Minister is responding to the question.

Ms GILLARD—This review will be overarching and will inform the formation of our compacts with universities, which will value their unique mission in our university system. Delivering on our promises is the first step in our higher education revolution. This review will guide the next steps in our higher education revolution. It comes from a political party that puts education at the forefront, which values it from preschool all the way through school and vocational education and training and through to university. The opposition is led by two people with a track record of failure as ministers for education. They were never associated with profound reform. We are going to get on with the job of making sure our education system, including our higher education system, is ready for the challenges of the future.

Local Government

Mr TRUSS (3.08 pm)—My question is to the Prime Minister. I refer the Prime Minister to his stated strong opposition before the election to Labor’s forced council amalgamations in Queensland and to the overwhelming ‘No’ votes in the federally funded amalgamation plebiscites—up to 99 per cent. What action has the Prime Minister taken since the election to have the Queensland government abandon these unwanted forced amalgamations and follow this clear expression of democratic will? Does the Prime Minister really understand the impact of these amalgamations on the people of Queensland?

Mr RUDI—I thank the honourable member for his question. I am on the record outside the parliament, inside the parliament, prior to the last election and since the last election as being opposed to forced amalgamations at a local authority level. That has always been my position and always will be my position. That is why we backed the proposal by the previous government to test local community sentiment on these questions. I have seen the results of that. Those good people reflect the view which I have, which is that forced amalgamations should not proceed. On this question, my position is in complete opposition to that of the state government of Queensland—has been in the past and is so today—and that position does not change.

Aged Care

Ms SAFFIN (3.10 pm)—My question is to the Minister for Ageing. Could the minister please inform the House of the government response to community concerns about quality in Australia’s 2,870 aged-care facilities?

Mrs ELLIOT—I thank the honourable member for Page for her question. The Department of Health and Ageing oversees more than 2,870 accredited nursing homes right across Australia. It is an honour and a privilege to care for and protect our nation’s most vulnerable citizens, the frail and the aged. As minister, I have met with residents and providers and visited aged-care facilities in all states and territories to get firsthand knowledge. One thing has become very clear: for the last 12 years, the previous government neglected the concerns of residents and their families. Shortly after becoming minister, I asked the department to review ways to improve aged care. On 21 February, I announced changes in the area of police checks. I have asked the department to begin reviewing aspects of the Aged Care Act and the activities of the Aged Care Act and the activities of the Aged Care Standards and Accreditation Agency. This agency was set up in 1997 to accredit aged-care facilities.

I have already found quite a few surprises. For example, the Aged Care Standards and
Accreditation Agency has advised me that it is not an offence to mislead it. That is right: it is not an offence to mislead the accreditation agency. I find this absolutely breathtaking. How could the previous government create an accreditation body and then limit its powers? On another matter, last week I was told that a minister for ageing could not visit a nursing home without the permission of a provider or being invited. This means a minister, if they were concerned about residents or wanted to see firsthand what was going on in a facility, would have to give advance warning—

Mr Broadbent—Mr Speaker, I rise on a point of order. Clearly the member for Flinders was correct in his assertion that we are being given ministerial statements during question time. This is clearly, once again, an announcement of a review of aged care—a ministerial statement.

The Speaker—The member for McMillan will resume his seat. The question was in order and the answer is in order. I call the minister.

Mrs ELLIOT—As I was saying, I have been told that, if a minister for ageing wanted to visit a nursing home, they had to get the permission of the provider or be invited in. This means that, if a minister were concerned, they could not go to a nursing home without giving any sort of advance warning. When I approached the department about this, they were very, very surprised by this inquiry. They said this was highly unusual. Why did they say that it was unusual? The reason they said it was unusual is that previous Liberal ministers only wanted to see nice nursing homes. That is right: previous Liberal ministers only wanted to see nice nursing homes. What this shows is that the previous government was so out of touch it only wanted to see smiling faces and ribbon cuttings. That is all it wanted to see. I can tell you from my experience as a police officer that sometimes life is not just a sweet-smelling bouquet of flowers. Sometimes it is tougher. Sometimes you just have to roll up your sleeves, go in there and see what is going on firsthand. But the Liberals did not do that in aged care, not at all.

Mr Dutton interjecting—

Mrs ELLIOT—They lost touch and they were happy not to know what was going on. This is not just good enough—

The Speaker—The member for Dickson is warned!

Mrs ELLIOT—and I intend to change that. As the Minister for Ageing, I have asked my department to urgently examine these measures and report back to fix it. For 12 long years, the Liberals did nothing in terms of aged care. It is time to change that, and that is what I intend doing.

Fuel Prices

Mr HUNT (3.15 pm)—My question is to the Minister for the Environment, Heritage and the Arts. I refer the minister to the earlier question from the member for Parramatta and to the continued spiralling of the world oil price, which has now hit a record of over $110 a barrel. I also refer the minister for the environment to reports that motorists could face the prospect of petrol rising to more than $3 a litre as a result of the federal government’s measures in response to climate change. Will the minister finally admit that petrol prices will rise under his policy, and does the minister really understand the effect of the government’s climate change policies on petrol prices for Australian families?

Opposition members interjecting—

Mr SWAN—Mr Speaker, I am—

Mr Hockey interjecting—

Mr SWAN—You’ve not had a good week, Joe; you’ve had a very bad week,
Joe—a very bad week, and so has Brendan and so has he.

Opposition member interjecting—

Mr SWAN—Too right you have.

Opposition members interjecting—

The SPEAKER—Order! The question has been asked and a response is now going to be given.

Mr SWAN—There was a comprehensive answer given to that question by the Prime Minister at the beginning of question time, but I am happy to take it because this side of the House is extremely concerned about the cost of living and what we have to do—

Mr Dutton—He passes it to you and you pass it to him.

The SPEAKER—Order! The Treasurer will resume his seat. The member for Dickson will leave the chamber under standing order 94(a) for one hour.

The member for Dickson then left the chamber.

Mr SWAN—Those opposite were the ones who said working families had never been better off. That is what they said, and they said it at a time when inflationary pressures were unleashed on the Australian economy. We have seen today that they have no plans to tackle inflation, none whatsoever. The Liberal Party is the best friend inflation ever had, and we saw it from the member over there—the former Treasurer.

Dr Nelson—Mr Speaker, I rise on a point of order on relevance. The question is about petrol prices, and the Treasurer seems to be unable to even mention the words, let alone answer the question.

The SPEAKER—The Treasurer has the call.

Mr SWAN—I am more than happy to talk about petrol prices because we have put in place, through the ACCC, a petrol commissioner.

Opposition members interjecting—

Mr SWAN—Too right we have. We have put it in. When those opposite were in power they did not see the need to do anything. If motorists were ripped off for an additional cent a litre, they did not care, and there was no cop on the beat to supervise the petrol companies at all. We have put that in place. We are extremely concerned with the cost of living, and we will do everything in our power to put downward pressure on inflation and downward pressure on interest rates and to look after the interests of working families.

Economy

Mr CHEESEMAN (3.21 pm)—My question is to the Minister for Small Business, Independent Contractors and the Service Economy. Has the slump in Australia’s productivity growth over the last several years been caused by a decline in mining industry productivity, as has been claimed, or is it more widespread? What are the consequences of poor productivity growth, particularly for the service economy, and what are the government, as disciplined economic
managers, doing to restart productivity growth?

Dr EMERSON—I thank the member for his question. A recent report of the Australian Industry Group found that the slump in Australia’s productivity growth has not been confined to mining, as had been claimed by the previous government, but has actually occurred in 11 out of 12 industry sectors. This prompted the Australian Industry Group to conclude in its report:

The productivity retreat since the late 1990s has been widespread.

The report goes to the same point again when it says:

A retreat from a past period of superiority is thus widespread throughout industry—

that is, in 11 out of 12 industry groups. In answer to the question asked by the member for Corangamite, the Australian Industry Group says:

It is sometimes said that events in mining alone can explain the aggregate productivity pattern … that claim is a nonsense.

That is the claim that those opposite were making about the productivity performance of this country under the previous government. The report goes on to describe the productivity performance in Australia during the late 1990s as ‘scintillating’. The report attributes that performance to Labor reforms—Labor reforms in the shape of enterprise bargaining, Labor’s reforms to tariffs and Labor’s reforms in terms of the National Competition Policy.

Productivity growth in the service economy has stalled. Eight out of 11 of the sectors where productivity growth has stalled are service economy sectors. That has been a massive squandered opportunity. Money has been pouring in that could have enabled the previous government to invest in modern sources of productivity growth, but it squandered that opportunity. It did not invest in skills formation, which is a modern source of productivity growth. The previous government ignored 20 separate Reserve Bank warnings about the skills crisis that was developing in this country for over a decade. The previous government could have invested in a national broadband network, but it did not. Rather, it criticised our national high-speed broadband network. In the area of infrastructure, the broadband initiative is designed to lift productivity growth in the service economy, particularly for small businesses.

The previous government shirked the task of regulatory reform. It commissioned two reports, one in 1996 and one in 2006, whose recommendations were virtually identical, indicating that over a period of a decade the previous government did nothing to cut back on the accumulation of red tape; yet through areas such as the business activity statement and a whole raft of other regulations it presided over what the Business Council of Australia has described as the creeping re-regulation of the Australian economy. So what happened to productivity growth in the last year of the previous coalition government? The latest Australian Bureau of Statistics figures confirm that productivity growth was not slow, it was not low—it was zero. It was absolutely zero—flat as a tack. Yet the previous Treasurer twice came into this parliament, in late 2006 and again in mid-2007, and declared that productivity growth at the time was at or even ahead of the previous productivity cycle. It was zero. It was flat.

A coalition government that denied that Australia had a productivity growth problem was never going to do anything about it—and it never did do anything about it. The Rudd government will restart productivity growth in this country by investing in the new sources of productivity growth. In doing so, it will fight the inflation rate that it inherited from the previous government, which is
at a 16-year high, as well as the second-highest interest rates in the developed world—12 successive interest rate rises on the trot. We will invest in skills, we will invest in infrastructure and we will invest in regulatory reform. The Rudd government will invest in these forms of productivity growth. We are building a modern economy to meet the challenges of the 21st century for the nation and for the working families of Australia.

Expenditure Review Committee

Mr Turnbull (3.26 pm)—My question is to the Prime Minister. Will the Prime Minister confirm that, in his absence, the Minister for Finance and Deregulation has been chairing many meetings of the all-important Expenditure Review Committee of cabinet, which is responsible for analysing and finalising the budget line by line? What does this say about the Prime Minister’s confidence in the Treasurer, when for more than 30 years it has always been the Treasurer that chairs that committee in the Prime Minister’s absence? Given the Prime Minister does not trust the Treasurer to chair this committee whenever he is not present, why should the Australian people trust him to manage our $1.1 trillion economy?

Mr Rudd—I thank the honourable member for his question. The members of the cabinet, the Minister for Finance and Deregulation, the Treasurer, the Deputy Prime Minister, I and a whole bunch of others have been pretty busy in the last three months dealing with some of the challenges left to us by those who preceded us. We have been engaged in solid policy responses to the major challenges of the nation. But here is what the honourable member for Wentworth has been engaged in during the same three months: a campaign to bring down the Leader of the Opposition.

Mr Hockey—Mr Speaker, a point of order on relevance: it was a very specific question about who is chairing the budget committee of cabinet. It was not asking for a character assessment of anyone other than the current Treasurer.

The Speaker—Order! The Prime Minister will be relevant to the question.

Mr Rudd—On the question of the strategic budget review committee, the ERC, these meetings roll on continuously—there was one last night. I have to disappoint the member for Wentworth. The Treasurer was chairing the meeting last night. It went for four hours and was a very successful meeting. Can I suggest that, when it comes to real engagement in the debates of the nation, the member for Wentworth would be better advised to engage in these debates rather than the other activities in which he is engaged at the moment.

Rudd Government

Suspension of Standing and Sessional Orders

Mr Turnbull (Wentworth) (3.28 pm)—I seek leave to move a motion condemning the government’s continued efforts to misrepresent Australia’s economic circumstances and in so doing exacerbating our nation’s economic challenges.

Leave not granted.

Mr Turnbull—I move:

That so much of the standing orders be suspended as would prevent the Member for Wentworth from moving immediately—

That this House condemns the Government’s continued efforts to misrepresent Australia’s economic circumstances and in so doing are exacerbating our nation’s economic challenges:

1. the Prime Minister and the Treasurer persist in their efforts to misrepresent our economic history and present circumstances in a partisan attempt to blacken the economic reputation of the previous Government;
(2) in doing so, they are themselves a significant risk to our economy, rather than providing sound and objective economic leadership;

(3) the Prime Minister and Treasurer are fuelling inflationary expectations with their use of immoderate and irresponsible language;

(4) the Prime Minister and Treasurer are driving down consumer and business confidence with their use of such language;

(5) the Prime Minister and Treasurer refuse to tell the truth that their economic policy is designed to put Australians out of work in the name of fighting inflation;

(6) the Prime Minister and Treasurer refuse to take into account the reality that economic activity is much slower outside of Queensland and Western Australia, and that their so-called fight against inflation is likely to have a disproportionately harsh impact on those states; and

(7) this House formally recognises the Westpac-Melbourne Institute consumer confidence survey as the real report card on the Prime Minister and Treasurer’s first 100 days in office.

The coalition left the Rudd government with an economy that was in outstanding condition: low unemployment, low inflation, high real wages—

Mr Albanese—How long is this going for, Mr Speaker?

The SPEAKER—Order! The member for Wentworth has started debating the question.

Mr Turnbull—Labor have been so desperate to reclaim some ground on their major weakness—economic management—that they have tried to find something, anything, upon which they can criticise the previous government. They have again and again misrepresented the economic history of this country. We have had the Treasurer saying inflation has been on the march for two years, when we know that in the middle of last year the Reserve Bank itself said that inflation was coming down, far from being on the march. We have had the absurdity of the Minister for Infrastructure, Transport, Regional Development and Local Government, the member for Grayndler, saying that the Reserve Bank had given 20 warnings that there should be a coordinating authority for national infrastructure. Where were they to be found? He has just made that up.

The 20 warnings spoken about by the government are nothing of the sort. They do not mention a skills crisis, let alone a chronic skills crisis. They do not say infrastructure bottlenecks are driving up inflation. In fact, one of the so-called Reserve Bank warnings that the government have misrepresented, from June last year, sees the Governor of the Reserve Bank saying that the way in which the labour market is operating to allow those areas with highest demand to see higher wages and other parts of the economy to pick up without causing overall wage inflation is, and I quote, ‘a textbook case of adjustment’.

The government have talked down this economy again and again and attributed all of our economic prosperity to good luck, not good management. Let me say that, when it comes to economic management, appealing to luck only gets you so far. That lesson was learnt the last time Labor was in office. Paul Keating’s ‘recession we had to have’ did not occur as a result of bad luck. We did not have 17-plus per cent interest rates as a result of bad luck. We did not have double digit unemployment rates as a result of bad luck. We did not destroy the job prospects of an entire generation of young Australians as a result of bad luck. We did not have real wage stagnation as a result of bad luck. And we did not have $96 billion in government debt as a result of bad luck. A party that cannot recognise good economic management when it sees it is doomed to repeat the
mistakes of the past, and that is what Labor now risks doing.

In December last year the Treasurer said he ‘didn’t intend to be one of those first-term Treasurers who only ever talks about the evils of his predecessors’. Well, he has blamed the previous government—and we stopped counting a month ago—more than 110 times. For almost four months now the coalition has been urging the Treasurer to stop talking down the economy. Ever since he has taken on that job, he has been more concerned with trashing the economic legacy of the previous government than focusing on his job to keep the economy strong. The Australian summed it up very succinctly in an editorial only a week ago, when it said we are paying the price for Labor’s attempts to blacken the reputation of the Howard government, because, in doing so, they are fuelling inflationary expectations.

Expectations are everything when it comes to the economy, when it comes to business, when it comes to consumer confidence. That is why I have said to the Treasurer that we are operating in a very volatile global economic environment—unpredictably volatile. So be cautious. Be accurate. Be moderate. Be objective. Speak like a Treasurer should—not like somebody who thinks he is still in opposition, trying to bring down a government. The election is over. The Treasurer has to start doing his job, not the job he had a year ago. A Treasurer’s comments can enormously influence economic expectations and confidence. We all remember the effect Paul Keating’s infamous ‘banana republic’ remark had—probably the only remark by a Treasurer on the same level of imprudence as the remark by this Treasurer that ‘the inflation genie’ was ‘out of the bottle’ in Australia, said the day before the Reserve Bank met to consider a change in monetary policy.

The Reserve Bank says again and again, as I quoted in question time earlier, that the key to managing inflation is managing expectations. If people think inflation is going to go up, it will go up. You have to be careful what you wish for. So we have had a Treasurer who hit the headlines all around the world, as he hit the economic future of Australia, when he said, ‘The inflation genie is out of the bottle.’ That was a signal to the world that, in his view—in the view of the Treasurer, the man responsible for managing our $1.1 trillion economy—inflation was out of control. It was a message to the Reserve Bank: ‘Put those interest rates up.’ So, instead of having a Treasurer who urged caution and moderation, we had a Treasurer who was urging the Reserve Bank to put interest rates up.

And we have had this confusion among the economic ministers. We have had, as I said, the Treasurer who says inflation has been on the march for two years—completely and utterly false, self-evidently false, because inflation was perceived, not just by the Reserve Bank but by the Treasury, to be coming down. Indeed, in the middle of last year the Reserve Bank Governor was telling the whole world that inflation was moderating, the interest rate rises of 2006 were doing their job, inflation was coming down—all would be well. And then it picked up later in the year. So the central bank has been responding to that.

We had the Minister for Finance and Deregulation on ABC Radio in Melbourne on 5 February saying the evidence of a serious inflation problem has only begun to mount over the last six months or so. He was right. That is why he is chairing the ERC—because he is competent and the Treasurer is incompetent.

Opposition members interjecting—
Mr TURNBULL—Well, relatively competent—I am corrected by my colleagues. The Assistant Treasurer said at a press conference on 22 January:

... inflation has been low in Australia over the last few years ...

So the government’s economic team have three different opinions on the recent history of the inflation situation in this country.

What we have at the moment is a country strongly situated in economic terms, with strong growth, low unemployment and inflation in manageable parameters, but we have a government which is exacerbating our economic challenges, worsening inflation and heightening inflationary expectations. Is it any wonder that business confidence is plummeting? That is the report card on the Rudd government.

The DEPUTY SPEAKER (Ms AE Burke)—Is the motion seconded?

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

Mr ALBANESE (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (3.39 pm)—This is a job application for the position of Leader of the Opposition, using or abusing the parliament and the House of Representatives to do just that, and they do not want to hear—

The DEPUTY SPEAKER (Ms AE Burke)—The minister will resume his seat. The member for Warringah.

Mr Abbott—Madam Deputy Speaker, I rise on a point of order. He can either talk about the suspension or he can talk about the substance of the motion moved by the member for Wentworth, but this—

The DEPUTY SPEAKER—The member for Warringah will resume his seat. The minister is in order.

Mr ALBANESE—I am speaking against the suspension of standing orders—about why standing orders should not be suspended and the further business of the House deferred. That should not happen, because this is just a stunt. This is a stunt from an opposition that has clearly lost its way. You have the Leader of the Opposition sitting there, the bloke behind him is the person who wants to be the Leader of the Opposition, and all we are seeing is that being played out in front of the nation. That is all this is about.

There was no basis for this. I sat in tactics committees for a few years, and let me tell you that one thing that we did not do in opposition during those years was move a suspension without any lead-up, without any momentum, on the floor of the House of Representatives. You had nothing today—nothing. You got slaughtered by the Treasurer, by the Minister for Ageing, by the Minister for the Environment, Heritage and the Arts, by the Deputy Prime Minister and by the Prime Minister. Question after question that you asked got batted straight over the boundary for six. The most absurd question was from the Deputy Leader of the Opposition, the small business question—we are still trying to work out what that was about.

Seriously, you ran out of questions at about five or six and then you moved a suspension of standing orders on that basis. But I am not surprised, because this is an opposition that has clearly lost its way. Not only does it not have any ideas about what it stands for, not only does it have no plans for the future; it actually does not even know what its name will be in 12 months time. The fact is that normally when people stand for parliament they stand on the basis of what their party stands for—what they are about. We on this side of the House are elected proudly as Labor Party members—a tradition 117 years long, a tradition of building the nation, a tradition of building equity and a
fair go through the Australian system. But I note that Senator Barnaby Joyce today in the Courier-Mail has come up with a different process for the naming and recognition of political parties.

The DEPUTY SPEAKER—The minister will resume his seat. The member for Warringah on a point of order.

Mr Abbott—Madam Deputy Speaker, I know that the chair has extended a degree of tolerance in these sorts of debates, but, really, this should either be strictly about the suspension or it should be about the substantive motion that the member for Wentworth sought to have debated.

The DEPUTY SPEAKER—The member for Warringah has made his point. The member for Warringah will resume his seat. The minister will refer to the motion before the House.

Mr ALBANESE—I note the motion before the House is whether standing orders should be suspended. That is the motion before the House and that is what I am addressing. We do not agree with that because this is just a distraction from a political coalition that does not know what it stands for and now, Barnaby Joyce has told us, does not even know what its name will be.

Mr Abbott—Madam Deputy Speaker—

The DEPUTY SPEAKER—The member for Warringah will not come to the dispatch box and start talking until he has the call. I am not going to be hectored in this manner. The member for Warringah.

Mr Abbott—Madam Deputy Speaker, I respectfully submit to you that there is no way that the minister at the dispatch box can, within the standing orders, talk about Senator Barnaby Joyce—

The DEPUTY SPEAKER—The member for Warringah has made his point of order. He will resume his seat.

Mr ALBANESE—The only reason this suspension has been moved is relevance deprivation syndrome of the person who has moved it, because he did not get enough questions this week. That is what it is about—it is about the leadership of the Liberal Party. We have a plan here, exposed by Senator Barnaby Joyce, for a new name for the amalgamated Liberal and National parties. The Leader of the Opposition, not being satisfied with being a member of two parties in the past—ours and theirs—now wants to form a third party so he can join that as well.

The DEPUTY SPEAKER—The minister will refer to the motion before the House.

Mr ALBANESE—I am referring to the motion before the House. It is whether standing orders should be suspended. Be very clear: that is the motion before the House. The reason why this is occurring is that this is a distraction from a party and a coalition at war with itself—unclear about what it stands for. If you look at the debate that is going on on their side of the House—you see 117 years of proud tradition and history—they do not even know what their political party will stand for. The member for Hinkler over there made a contribution to Barnaby Joyce’s suggestion. It was this:

It’s a good idea from Barnaby, with one proviso: that you get the best three names and present them to marketing experts.

We think, as Labor members, that ‘Labor’ reflects what we stand for. We know ‘Liberal’ does not reflect what they stand for. We know that ‘National’ does not reflect what they stand for. So what name would they come up with? ‘Tail Waggers’ has already been taken by the pet food company up on the north coast that does not produce any pet food. It is extraordinary that, as one of the two big parties in this nation, they have been
reduced to this sort of activity. They have even proposed a prize. Senator Joyce said:
There would have to be a prize, but I’m not sure what it would be. It would have to be something of relevance.

Mr Abbott—Madam Deputy Speaker, on a further point of order: this is all very well for Marrickville Council, but this kind of conduct from the minister demeans the parliament. He should be required to speak to the motion.

The DEPUTY SPEAKER—The minister will refer to the motion before the House.

Mr ALBANESE—The motion is that standing orders be suspended. And this is why standing orders should not be suspended: this parliament should not have its activities taken over because of their internal problems. Go away and sort it out. Have the courage to challenge and sort out your leadership difficulties. You are already proclaiming in your local paper that you are going to sort it out, but it is a question of when. That is what it is about. Here we have a political party having a prize for submitting a suggestion for what the name of the political party will be!

Ms Julie Bishop—Madam Deputy Speaker, this is a suspension of standing orders on the basis that consumer confidence is at an all-time low and that the government has been talking down the economy. That is the substantive issue, and the minister at the table should not demean the parliament by avoiding the topic.

The DEPUTY SPEAKER—The Deputy Leader of the Opposition will resume her seat. The motion before the House—

Mr Albanese interjecting—

The DEPUTY SPEAKER—The minister has not got the—

Mr Albanese interjecting—

The DEPUTY SPEAKER—The member’s time has expired. The motion before the House is a motion to suspend standing orders.

Mr KEENAN (Stirling) (3.45 pm)—We have just heard about why it is so important that the House agrees to this motion. The government have absolutely no idea of the serious circumstances they now find themselves in, and they have absolutely no idea about how serious the consequences are for the course of action that they have chosen in talking down the Australian economy. By talking down the Australian economy, the Treasurer and the Labor Party are misleading
the Australian people and they are damaging the future of Australia’s prosperity.

The reality—and everyone in this House knows it—is that this government inherited the strongest economy of any incoming government in the history of Australia. Labor inherited a strong economy, and it is now creating the expectation of what will happen if that economy falters.

Mr Price—Madam Deputy Speaker, I rise on a point of order. The opposition have to show why standing orders should be suspended.

The DEPUTY SPEAKER (Ms AE Burke)—The member for Stirling will refer to the motion before the House, which is to suspend standing orders.

Mr KEENAN—The reason that standing orders must be suspended, and the reason why it is urgent that this happen, is that we have a government that have absolutely no idea of the consequences of the course of action that they are choosing to take. They have no idea of the consequences for Australia’s families, and they have no idea of the consequences of talking down the Australian economy.

What plans, if any, does this government have to manage the economy? We had adverts running in Western Australia during the election campaign, with Kevin Rudd coming forward and saying, ‘We have a plan to manage Australia’s $1.1 trillion economy,’ but all we hear from the government now is complaints about the economy it inherited, even though this economy it the strongest of any incoming government in the history of this country. The reason that this motion must be agreed to is that we have had a collapse in consumer and business confidence. The Westpac-Melbourne Institute consumer sentiment index fell 9.1 per cent in March to 88.6 points. This index is 23.3 per cent below its level a year ago, and it is at its lowest level since September 1993, which was at the end of the ‘recession that we had to have’.

Mr Burke—Madam Deputy Speaker, I rise on a point of order. There is nothing vaguely approaching relevance to the motion. The truth is that the opposition does not want to deal with a ministerial statement about the export wheat marketing arrangements. It has been causing chaos—

The DEPUTY SPEAKER—The member for Stirling will come to the motion before the House to suspend standing orders.

Mr KEENAN—The reason we must suspend standing orders is that confidence has fallen to record lows, and the government has absolutely no understanding of the serious consequences of that for the Australian economy. The reason we must suspend standing orders is that the government does not understand the consequences of the course of action it is pursuing. Confidence affects issues such as employment and inflation, and it affects the overall condition of the Australian economy.

Mr Tanner—Madam Deputy Speaker, I rise on a point of order. The seconder of the motion is moving into the substantive matters that are the subject of the motion sought unsuccessfully to be moved by the member for Wentworth. He should return to the content of the motion before the House, which is a suspension motion.

The DEPUTY SPEAKER—The member for Stirling has been asked to refer to the substantive motion before the chair.

Mr KEENAN—Madam Deputy Speaker, I am making the case as to why it is urgent that this House suspend standing orders. It is urgent because this government is pursuing a course of action that is damaging the interests of the Australian people. It is urgent that we suspend standing orders because there has been a collapse in consumer and business
confidence. That is why this is urgent: because the government has a political strategy that is damaging the interests of the Australian people. So it is urgent that this House suspend standing orders to address the problems with the government’s approach. It is urgent that we suspend standing orders because last month’s Sensis business index revealed that support for the new government’s policies has plummeted 34 percentage points, for a net balance of negative five per cent.

The DEPUTY SPEAKER—Order! The time allotted for the debate has expired. The question is that the motion be agreed to. All those of that opinion say aye and against say no. I think the noes have it.

Mr Abbott—Division required.

The DEPUTY SPEAKER—The member for Warringah will remove himself from the House under standing order 94(a).

Mr Abbott interjecting—

The DEPUTY SPEAKER—No, you didn’t; you were advising the chair on how to progress.

Opposition members interjecting—

The DEPUTY SPEAKER—My apologies but, from my point of view at the moment, the member for Warringah has spent the last debate advising from the sidelines on how the chair is to progress. He may have got away with it in the last parliament, but he should desist in this. I will withdraw, because I thought that was what I was hearing. I was about to say: ‘I think the noes have it. Is a division required?’ Yes, it is. Ring the bells for four minutes.

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

The House divided. [3.59 pm]

Ay es............. 61
Noes............. 80
Majority......... 19

AYES

Abbott, A.J. Andrews, K.J.
Bailey, F.E. Baldwin, R.C.
Billson, B.F. Bishop, B.K.
Bishop, J.I. Broadbent, R.
Gibb, S.M.
Cobb, J.K.
Costello, P.H. Coulton, M.
Downer, A.J.G. Farmer, P.F.
Forrest, J.A. Georgiou, P.
Haase, B.W. Hartsuyker, L.
Hawke, A. Hawker, D.P.M.
Hockey, J.B. Hull, K.E. *
Hunt, G.A. Irons, S.J.
Jensen, D. Johnson, M.A. *
Keenan, M. Laming, A.
Ley, S.P. Lindsay, P.J.
Macfarlane, I.E. Marino, N.B.
Markus, L.E. May, M.A.
McGauran, P.J. Mirabella, S.
Morrison, S.J. Moylan, J.E.
Nelson, B.J. Neville, P.C.
Pearce, C.J. Ramsey, R.
Randall, D.J. Robb, A.
Robert, S.R. Ruddock, P.M.
Schultz, A. Scott, B.C.
Secker, P.D. Simpkins, L.
Slipper, P.N. Smith, A.D.H.
Somlyay, A.M. Southcott, A.J.
Stone, S.N. Truss, W.E.
Turnbull, M. Vaile, M.A.J.
Vale, D.S. Washer, M.J.
Wood, J.

NOES

Adams, D.G.H. Albanese, A.N.
Bevis, A.R. Bidgood, J.
Bird, S. Bowen, C.
Bradbury, D.J. Burke, A.E.
Burke, A.S. Butler, M.C.
Byrne, A.M. Campbell, J.
Champion, N. Cheeseman, D.L.
Clare, J.D. Collins, J.M.
Combet, G. Crean, S.F.
D’Ath, Y.M. Danby, M.
Debus, B. Dreyfus, M.A.
Elliot, J. Ellis, A.L.

(The Speaker—Mr Harry Jenkins)
Emerson, C.A. Ferguson, L.D.T.
Ferguson, M.J. Fitzgibbon, J.A.
Garrett, P. Georganas, S.
George, J. Gibbons, S.W.
Gillard, J.E. Gray, G.
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.
Macklin, J.L. Marles, R.D.
McClelland, 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.
Perrett, G.D. Plibersek, T.
Price, L.R.S. Plibersek, T.
Rea, K.M. Ripoll, B.F.
Rishworth, A.L. Roxon, N.L.
Rudd, K.M. Saffin, J.A.
Shorten, W.R. Sidebottom, S.
Smith, S.F. Snowdon, W.E.
Sullivan, J. Swan, W.M.
Symon, M. Tanner, L.
Thomson, C. Thomson, K.J.
Trevor, C. Turnour, J.P.
Vamvakinou, M. Zappia, A.

* denotes teller

The annual conference of the Commonwealth Parliamentary Association is a key activity in furthering the association’s aims of improving understanding and cooperation among Commonwealth parliamentarians and promoting the study of, and respect for, parliamentary democracy. The conference theme was Delivering Democracy and Sustainable Development. Six workshops and three plenary sessions addressed a wide range of topics around this theme. I had the opportunity to lead the discussion on global water and energy use and the President of the Senate, Senator Ferguson, led the discussion on the role, rights and responsibilities of the opposition.

Government members interjecting—

The SPEAKER—Some have realised the significance of the date of the conference! I congratulate the Hon. Somnath Chatterjee, Speaker of the Lok Sabha, and the Indian parliament as a whole for the success of the conference.

In the Philippines the delegation visited Manila and the island province of Bohol. Meetings were held with senior members of thePhilippines congress, including our host, the President of the Senate, Senator Manny Villar, and the Speaker of the House of Representatives, Jose de Venecia. We met a range of national and local officials. Key issues which were discussed were the bilateral economic relationship between Australia and the Philippines, including opportunities for increased Australian investment in mining and agriculture, development assistance, and security issues, including the threat from Islamic extremists in the southern Philippines. The delegation found the opportunity to explore these and other issues with our hosts extremely valuable.

I would like to thank the President for his leadership of the delegation and Senator Sandy Macdonald and Senator Kirk for their
active participation and for making the delegation such a positive experience. I thank the Parliamentary Relations Office, the Parliamentary Library and the Department of Foreign Affairs and Trade for the assistance they provided to the delegation prior to departure. In India the staff of the Australian High Commission, led by High Commissioner John McCarthy, and in the Philippines the staff of the Australian Embassy, led by Ambassador Tony Hely, provided excellent support and advice. I realise that Mr Richard Selth, in preparing these notes for me as the Deputy Clerk at the table, did not mention himself, but he was the very able secretary of the delegation. I also thank Federal Agent Colin Elkins, who looked after our security in the Philippines and was an active participant in the collegial nature of the delegation. I thank the many Indian officials who contributed to the smooth running of the CPA conference, and I thank the staff of the Philippines Senate, who managed our program so efficiently. I recommend the report to honourable members.

**DOCUMENTS**

Mr ALBANESE (Grayndler—Leader of the House) (4.09 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**

Wheat Export Marketing Bill 2008

Mr BURKE (Watson—Minister for Agriculture, Fisheries and Forestry) (4.10 pm)—by leave—Australia’s export wheat marketing arrangements are in desperate need of reform. The current arrangements are a shambles and have failed growers on several levels—the governance arrangements have failed, the management of the single desk has failed and, importantly, the arrangements have also failed growers morally.

The arrangement put in place in 1999 by the previous government—the granting of a legislative monopoly to a private corporation, AWB Ltd—was always destined to fail as it put in place inappropriate incentives without the necessary checks and balances.

The subsequent bandaids applied to the arrangements to get them through the current situation are exactly that—bandaids that have merely patched up an ineffective and inefficient system without remedying the underlying defects.

**Governance arrangements**

You have to ask: why do we have the current governance arrangements? A statutory authority, the Australian Wheat Board, was privatised in 1999 and the legislative monopoly for the export of wheat was handed to a private corporation. When a government entity holding a monopoly or a dominant market position is privatised it should be common practice to put in place strong regulatory arrangements.

But in this instance, what did growers get? The Wheat Export Authority (WEA), a body with few powers and which was hamstrung from the start—an organisation that Senator Heffernan famously referred to as ‘a bed of pansies, when what’s needed is a 1,000-pound gorilla’.

The WEA was limited to reporting to growers after the fact, was restricted in the information that it could obtain from AWB and was restricted in what it could report to growers because AWB claimed all information as ‘commercial-in-confidence’. It was the regulator you had when you were not having a regulator.

The member for O’Connor and other members opposite could see the flaws in the arrangements in 1999 and said so in this House on numerous occasions.
Without a strong, effective regulator it is no surprise that things unfolded as they did. The incentives for AWB Ltd to exploit its position and behave as a law unto itself were unfettered.

**Moral imperative**

It is growers who should be most disturbed by what has happened. Their trust in the former management of AWB Ltd was betrayed.

As Commissioner Cole said in his report: A government grant, by legislation, of a monopoly power confers on the recipient a great privilege. It carries with it a commensurate obligation. That obligation is to conduct itself in accordance with high ethical standards. The reason such an obligation is imposed is because, by law, persons are denied choice with whom they may deal.

Sadly, as has been extensively chronicled, the former management of AWB Ltd did not live up to these obligations.

The actions of former AWB executives cost Australian wheat growers and the Australian economy enormously. The reputation of Australia as a fair trading nation was tarnished. The time to repair that damage is now.

**The flaws and consequences in the current arrangements**

Supporters of the single desk argue that the monopoly power extracts a price premium on the world market and this is passed onto growers.

The evidence to support this theory is lacking.

In normal years, Australia accounts for around 15 per cent of the world wheat trade, which is not enough to exert any significant monopoly power. The ACCC, in its merger guidelines, sets 40 per cent market share as the level for exerting monopoly power.

While Australian wheat does obtain a price premium in the market, this is due to its superior milling characteristics. We get a price premium because we have the best wheat.

There have been numerous studies and reports on the single desk over the years. One report, however, stands out for its independence and that is the *National Competition Policy review of the Wheat Marketing Act 1989* held in 2000.

That review, by Mr Malcolm Irving, Mr Jeff Arney and Professor Bob Lindner, could not find any clear, credible evidence that the export wheat marketing arrangements were of benefit to the Australian community. In fact, they said:

On balance, the Committee came to the view that the introduction of more competition into export wheat marketing in the future would more likely deliver net benefits to growers and to the wider community than continuation of the current arrangements ... (page 7)

While some growers believe that the single desk has operated in their interests, you only have to peruse the recent reports of the Export Wheat Commission to see this has not been the case. For example, a recent report by the Export Wheat Commission estimates that growers were worse off by $14 million on ship-chartering costs because of the absence of competitive forces in the transport supply chain.

The industry needs significant reform to increase the level of competition. Competitive forces are needed so that costs in the marketing and logistics sectors are minimised. Only then will returns to growers be maximised.

And, worst of all, as Commissioner Cole noted, many growers have no option. Those in the west are tied to the single desk. At least in the eastern states growers have the option of selling their wheat into the domestic market—and in recent years have shown their willingness to use that option.
Need for legislative change

It is now time to remedy these defects.

The latest bandaid applied to the Wheat Marketing Act 1989 is about to expire. The power for me as minister to grant or refuse export permits expires on 30 June 2008.

At that point, the Export Wheat Commission will become the final arbiter on whether an export permit should be issued. The Leader of the Nationals just described this as a relief. Let us look at what will happen. Growers will face considerable uncertainty about the marketing of their wheat on issues such as who may be granted permits and how AWB will be able to manage its obligations under the act to run pools.

Worse, under the current legislation—without the government’s proposed reforms—there will be no protection for growers in the form of a probity test, and there will be no protection for growers from possible anticompetitive behaviour. But the Leader of the Nationals describes this date, 30 June this year, as a relief.

Even AWB Ltd considers this situation undesirable. As Mr Gordon Davis, the CEO of AWB Ltd, said on 6 March:

If the [draft legislation] is not approved in the Senate, wheat growers will be left in a twilight zone where AWB is expected to run a national pool without the bulk veto and bulk export permits can be issued to other marketers and traders by the regulator.

In these circumstances, AWB would have the responsibility to maximise returns to wheat growers but lack the ability to do so effectively. No responsible board of directors would agree to continue running a national pool in these circumstances and in the current US sub-prime environment.

Yet that is the situation that was described a moment ago by the Leader of the Nationals as a relief. Increasingly growers are accepting the need for change. The recent vote by A-class shareholders in AWB Ltd for reform of the company, while not reaching the 75 per cent threshold for success, did exceed 60 per cent.

Proposed reforms

Last Wednesday I released exposure drafts of the bills to implement our reforms that deliver on our election commitment.

The bills outline how the new arrangements will work. They explain the establishment of the new regulator, Wheat Exports Australia, and detail the criteria that WEA must consider in whether a company should be accredited to export bulk wheat.

There are clear probity requirements that must be met before a company can be accredited. These relate to the financial resources of the company, the skills of its management, the systems it has in place to manage risks associated with the trade in wheat and the demonstrated behaviour of the company and its executives.

We need to ensure we do not replace a single wheat export monopoly with three regional monopolies at the ports. I have therefore included a special requirement for any company that operates a bulk grain handling facility at a port terminal. On applying for accreditation they will be required to grant access to that port terminal facility to other exporters as a condition of their accreditation.

WEA will also have the power to audit accredited companies to make sure they are complying with the conditions of their accreditation and to obtain information from them.

Severe penalties will apply for exporting wheat in bulk without accreditation and for making false or misleading statements to WEA.

I have invited public comments on the exposure drafts and given all interested parties
until 3 April to provide those comments. I have also spoken with a range of key stakeholders about the draft legislation, including state farm organisations, bulk handlers and potential exporters. While not all support the new policy direction, I am encouraged by their engagement in the process and their willingness to help achieve the best possible system.

I note the comments from several organisations that support our policy and the draft bills. Of particular note are the statements from the major trading companies and grower groups including the Grains Council of Australia, AWB Ltd, ABB Grain Ltd, CBH Ltd and GrainCorp. Madam Deputy Speaker, I table supporting documents.

Mr Truss—What about WEMA?

Mr Burke—If only the Leader of the Nationals had read the release yesterday, he would know that WEMA is being wound up.

During consultation, concern was raised as to whether the changes would have an impact on the willingness of the banks to lend money to growers. To that end, I have met with the Australian Bankers Association, who have confirmed that the marketing changes will have no detrimental impact on growers obtaining finance.

As part of the reform process I have established an industry expert group to advise me on the provision of industry good functions under the new arrangements. Some of these functions were previously provided by AWB Ltd. The industry expert group is actually issuing its discussion paper today.

I am pleased to inform the House that yesterday our colleagues in the other place agreed to refer the bill to the Senate rural and regional affairs and transport committee for inquiry.

I understand the committee is working to be on the road consulting with wheat growers from 25 March.

At the request of Senator Scullion, the shadow minister, the inquiry has been extended by a further two weeks, to report back by 24 April.

I understand the committee is planning to travel to every wheat-growing state during the consultation period.

I urge all members to support the bills when they are introduced into the House. If they do not pass through parliament in time for a 1 July commencement date then growers will be faced with enormous uncertainty.

I can confirm that Labor members in this place will be voting to support the passage of this important legislation.

The opposition needs to clearly understand that if we do not change the legislation which the previous government have left us with, there will be no protection for growers from the possibility of anticompetitive behaviour, and there will be no protection for growers in the form of a probity test.

Growers need the certainty of knowing that the buyers of their wheat have the reputation and financial backing to pay for their crop. That certainty can be delivered today by the opposition declaring its support for these changes.

The opposition failed to deliver this reform in government. Should they continue to frustrate this reform from opposition then they must be prepared to stand up and accept the responsibility for the consequent impact to growers and their families.

The Australian wheat industry has a positive future under our proposed reforms but not under the existing legislation. It is imperative that these bills, once introduced, be passed by the parliament without delay—an
imperative that both sides of politics today provide growers with certainty.

I ask leave of the House to move a motion to allow the member for Wide Bay to speak for 14 minutes.

Leave granted.

Mr BURKE— I move:

That so much of the standing orders be sus-
pended as would prevent Mr Truss speaking for a period not exceeding 14 minutes.

Question agreed to.

Mr TRUSS (Wide Bay—Leader of the Nationals) (4.24 pm)—Today we have seen another abuse of the ministerial statements process. We listened to ministers give long and, in many instances today, interesting ministerial statements during question time. But now, when it comes to the actual time for ministerial statements, we have a com-
ment by the Minister for Agriculture, Fisheries and Forestry which contains nothing new. It is the kind of speech that should have been made at the time of second reading or, alter-
atively, in one of his partisan press releases. Ministerial statements are supposed to be considered contributions to matters of sub-
stance, and they should be factual. Unfortu-
nately, this statement failed on both counts.

The minister acknowledges that he does not know much about farming, and I give him credit for making that acknowledgement. But, unfortunately, it seems he knows so little about it that he is not even aware that the text prepared for him contains fundamen-
tal factual flaws. I hope he will take the time between now and when the bill comes into the parliament to better understand the industry and to make sure that the legislation he is proposing to introduce into parliament will in fact be in the interests of Australian wheat growers and the nation as a whole and not just following some dodgy ideological cause.

Can I go through some of the statements made by the minister and point out their flaws. Early in his statement he said:

The arrangement put in place in 1999 by the previous government—the granting of a legisla-
tive monopoly to a private corporation, AWB Ltd—was always destined to fail ... He then went on to comment about some members of the former government who had some reservations about the arrangements. I had some myself. However, what he failed to acknowledge was that Labor voted for the bill. So, if it was destined to fail, why in fact was it supported by Labor at that time? There is a clear demonstration of inconsistency here by the minister and his party.

Then he went on to make the comment that AWB Ltd did not live up to its obligations as the manager of the single desk. Of course that is true. All growers are very dis-
appointed about the revelations about the organisation’s work in Iraq. The behaviour of certain of its staff in relation to those sales is unacceptable. It also, however, has to be ac-
knowledged that the AWB was recognised around the world as a very effective sales organisation. It competed against, and made sales of Australian wheat against, the subsi-
dised suppliers from countries around the world. It was also very effective in being able to put Australian wheat into the market-
place, even against the corruption that was occurring in the market and the badmouthing of Australian wheat, particularly by certain US suppliers. It has been successful in a whole range of its activities, and that also needs to be acknowledged. Let me say that it was acknowledged by the minister’s prede-
cessors: Labor’s spokesman on agriculture, Gavan O’Connor, frequently lauded the achievements of the AWB, and Senator O’Brien frequently spoke about the achieve-
ments of the AWB and chided the government for daring to in any way interfere with its activities. So the reality is that Labor was
a public supporter of the AWB during all of its period as a manager of the single desk.

The minister then went on to question whether or not the AWB had actually, through the single desk, extracted on the world market a price premium that was passed on to growers. Unfortunately, he has been listening to a few too many Treasury commentators. I have listened to them as well. Let me tell him that not one of them grows any wheat, and they have not got a clue. The reality is that every review that was conducted into the single desk found that there were benefits to wheat growers from the operation of the single desk. There were differences in the range of how much the benefit would be, and those ranges went from $4 or $5 to as high as $70 in one case. I think both of the extremities are discountable. But every single review found that there were advantages to Australian wheat growers from the operation of the single desk.

You do not just have to rely on me to make that comment. In fact, I would like to refer to an authority that might be near to the heart of the Minister for Agriculture, Fisheries and Forestry, and that is a man called Kevin Rudd. Kevin Rudd wrote to many farmers within the last 12 months as Leader of the Opposition, and he said:

A study by Econtech of the premium attributed to the single desk indicates that on the benchmark of Australian premium white grade of wheat, the single desk captures a premium of between $15 and $30 a tonne. The total annual value to Australian growers of this premium on Australian premium white is $80 million. On all grades the average premium attributed to the single desk is $13 a tonne and the total annual value of the premium on all grades is $200 million.

Kevin Rudd said when he was Leader of the Opposition that this single desk was delivering premiums to Australian wheat growers. Frankly, he was quoting the expert research and the economic analysis. What he was saying was right then and it is right today. Therefore what the minister said in his statement is a complete reversal of Labor’s view on this issue over many years and in fact clearly does not recognise the work and the studies that have been done in relation to this issue.

Let us move on to his example of how the single desk was detracting from growers’ returns, the wheat commission estimate that growers were $14 million worse off because of the absence of competition in shipping. The single desk does not do the shipping. The single desk has nothing to do with the shipping. It is true that a lack of competition in shipping may make it a little less competitive. It is also true that the lack of competition in handling may make it a little less competitive, and that is in fact the issue that was being raised in these reports: the lack of competition at the handling level was raising farmers’ costs. But the reforms that the government is proposing to make through its legislation will do nothing to address any of those issues; in fact it will make them worse because we will have the monopoly state handling authorities referred to by the minister in his comments actually marketing as well as handling. It is hard to believe how you could put a regulatory system in place which will give a fair go to those organisations that do not own the handling system, that do not control the stocks, that do not understand the issues that are involved. You are relying on an ACCC that actually approved the amalgamation of the east coast
handling authorities. If that is their view of competition reform, one wonders how they could manage this issue.

Then we go on to the need for legislative change, and the minister made the point that it is important for farmers to have a probity test. This minister’s first attempt at a probity test was to grant a permit for 300,000 tonnes of Australian wheat to Iraq to a company called Glencorp. Glencorp had to pay restitution to the United Nations for corruptly abusing the oil for food program. This is a company that abused the oil for food program. It was named by the CIA as having paid bribes to the Saddam Hussein regime. It has frequently been accused of breaking UN sanctions in relation to oil supplies. This is the company that this minister gave a permit to.

Mr Burke interjecting—

Mr TRUSS—Of course you should have refused the permit. If you believe in probity, you have set the test exceptionally low. You gave your very first permit—and the only substantial one—to a company that has been guilty of frequent corruption. So that clearly demonstrates that when it comes to probity the Labor Party cannot be counted on for any kind of standard—ask the people of Wollongong if you have got any doubt.

Then we move on to the minister’s statements later in relation to the bodies that allegedly support his legislation. It is true that a number of farmers are resigned to the fact that their long-loved single desk is to be abolished by this government. That does not mean they are pleased about it; they are angry about it across the country. But they know that this power-hungry government is determined to implement this legislation—not because the minister believes that it is good but because he inherited it as an election promise by his dud predecessor. His predecessor as spokesman for agriculture was such a failure that he was relegated to the back bench and the current minister was put into this position, so he inherited the policy. He has never been able to make any kind of independent determination, and he has admitted as much to the grower groups that have come to see him. He said to them, to discount their concerns: ‘This is the policy. You’re stuck with it.’ The minister may not think it is any good—although I acknowledge he did not say that—but, whether or not he thinks it is any good, this is the policy and everyone is stuck with it.

Perhaps he should also have tabled the statement from WEMA the other day. This is the Wheat Export Marketing Alliance, the body that was set up to put in place new arrangements to market wheat in Australia. It met with Minister Burke in Canberra on 4 March. It took him until just eight or 10 days ago to meet the body charged with setting up the new infrastructure for the wheat industry. It took him to just 10 days ago to even meet it. The NFF and a whole stack of other organisations have found this same locked door when it comes to access to this minister, but here he is dealing with important wheat legislation, about to distribute a draft bill, and he did not even bother to consult in advance with the very organisation that has spent months trying to put together an alternative to the current arrangements. Let me quote one paragraph from this statement:

Unfortunately the Minister and his advisers merely confirmed our long held view that the Government had sold out to the big end of town in a well scripted plan that will see many small to medium sized wheat producers put under enormous financial pressure.

So much for the Labor cliche of looking after working families.

And that reflects the tone of the press statement. So the reality is that wheat growers are not happy with the proposals being put forward by the minister. The Prime Minister acknowledged as much yesterday. He said
that he knows that there will be some wheat growers against it. Let me say to you: virtually all wheat growers are against the legislation that you are putting forward. It is true that some would favour total deregulation; others want a return to the old arrangements. But there are few who consider that the arrangements being put in place by this government are an appropriate response to the issues facing the wheat industry in the years ahead.

I welcome the fact that the minister has granted a couple of extra weeks for the Senate inquiry, and I thank him for that response because there are a lot of issues to be raised. I want this Senate committee and the minister to consider a number of very serious issues before he brings the legislation to parliament. How will the new legislation ensure that returns to growers are maximised in every season? How will the premiums for quality Australian wheat be preserved and returned to growers? Have we, in fact, traded off these premiums to overseas multinational grain traders and taken them away from Australian farmers? How will Australian wheat stocks be managed and moved on time to port when there are many buyers and many exporters? How will the profits from blending be distributed? How will the industry-good functions, formerly required of the single-desk manager, be continued? How will the multitude of licensed exporters be able to compete effectively against subsidised US and EU growers, especially to single-desk buyers?

Bear in mind that most of the buyers around the world are single-desk buyers. We will have multiple sellers, many of them foreign owned, selling Australian wheat to single-desk buyers. How do you expect to retain the premiums for Australian wheat in those sorts of circumstances? Who will be the buyer of last resort? Who will fund the crop carryovers that occur every year? Around a third of the crop is generally carried over. Who is going to fund that? Which growers are going to be held responsible? How can Australia, in the absence of a national pool, sign long-term contracts that can be honoured and maintained? Are we going to throw away our best markets because we have become an unreliable supplier? Are the new arrangements compliant with Australia’s WTO and FTA negotiations?

These are critical issues. They all need to be addressed and, frankly, they have not yet been addressed by the government. They are not covered adequately in this statement or in any of the comments that have been made before. I want the premiums for growing quality Australian wheat to go to Australian farmers and the Australian economy; I do not want them distributed to multinational grain buyers around the world. (Time expired)

**ADJOURNMENT**

Mr BURKE (Watson—Minister for Agriculture, Fisheries and Forestry) (4.39 pm)—I move:

That the House do now adjourn.

**Petition: Water**

Dr SOUTHCOTT (Boothby) (4.39 pm)—I would like to use the adjournment debate to present a petition which was signed by over 7,000 people six months ago. This petition addressed water security in South Australia. What I have found is that the security of Adelaide’s water supply is probably the No. 1 issue concerning people. When this petition went out, there were water restrictions which did not allow people to use nozzles on hoses. All they were allowed to use was a bucket. The state government had no plan then, other than to increase the capacity of the Mount Bold Reservoir. As I said, we collected over 7,000 signatures from residents who were concerned about the lack of action from the South Australian government. The petition calls on the South Austra-
lian government to review its current approach to water restrictions, which appear to hurt domestic users of water, and to do the necessary work to secure Adelaide’s water supply. It calls on the South Australian government to consider its priorities, which see it investing scarce taxpayer dollars in the extension of the tramline from Victoria Square in the city rather than in building infrastructure needed to secure Adelaide’s water supply. It also calls on the state government to take seriously the need to secure Adelaide’s water supply rather than seek to blame the Australian government for an area of state government responsibility.

Since this petition went out, I am pleased to say that the state government has slowly acted. The water restrictions are more reasonable, but they do focus on the method of watering rather than the amount of water used. We see that the allocations for irrigators have increased, but they are still only 32 per cent. When you look at South Australia, you see that Lake Alexandrina, the Coorong, the River Murray—all of these environments—are under threat. There are beaches exposed which have never been exposed. What were previously wetlands are now salt pans. In Adelaide, people’s gardens are dying. It is appropriate, if regrettable, that we are in the longest heatwave—a heatwave which has now broken all records in terms of the number of days over 35 degrees Celsius, a heatwave which is the longest experienced by any capital city in Australia—at the time I present this petition calling for action.

It is worth noting that, when the government changed on 24 November, the $10 billion National Plan for Water Security was 90 per cent complete. It had been signed up to by South Australia, New South Wales, the Commonwealth and Queensland. All that was required was for Victoria to sign up. In the more than 100 days of the new government, we have seen no action on this. There have been meetings and there has been an agreement to have further meetings, but really we cannot afford more lack of action in this area. We cannot afford to waste more time. As I said, addressing the security of Adelaide’s water supply is the No. 1 priority now for my constituents. It is at the top of everyone’s minds.

I am pleased that we now have the Standing Committee on Petitions; this petition, which has been signed by over 7,000 people, will now go through to that committee. This is a test for the petitions committee to see if they act on this very important concern of my constituents. I hereby present the petition.

The DEPUTY SPEAKER (Ms AE Burke)—The member for Boothby has tabled a petition. The document will be forwarded to the Standing Committee on Petitions for its consideration and will be accepted, subject to confirmation by the committee that it conforms with standing orders.

Dental Health

Mr MURPHY (Lowe—Parliamentary Secretary to the Minister for Trade) (4.44 pm)—I take this opportunity to reinforce my support for the Rudd government’s Teen Dental Plan, a health initiative that is a marvellous long-term policy to improve the dental health of young Australians. Madam Deputy Speaker, as you are undoubtedly aware, the Rudd government has announced that, under the Teen Dental Plan, over one million Australian teenagers—that is, those aged between 12 and 17 years—will receive financial assistance for a comprehensive dental check-up. It is part of a $510 million initiative that will run over three years and targets our kids to ensure they keep their teeth in good condition.

Eligible families in my electorate of Lowe will be able to claim up to $150 towards the cost of an annual dental check-up for their
teenage children. I know that the $150 will be welcomed by my constituents to pay for the cost of a comprehensive dental check-up, which normally comprises oral examination, clean, scale and X-ray, and which usually costs approximately $290.

The plan is a targeted initiative. Unfortunately, dental services for teenagers have not been as readily available as those for most primary school children, who receive school dental services. The Teen Dental Plan is a fantastic initiative which will assist those families receiving family tax benefit A to provide their child with regular dental care. It will also serve to establish good dental hygiene practices in teenagers and prevent unnecessary pain from serious dental conditions later in life. My father-in-law sadly developed a decayed tooth, which ultimately led to quite a serious, cardiac problem.

Sad but true, statistics reveal that one in three Australians avoid going to a dentist because of the cost. Worse, according to the OECD the dental health of Australian adults ranks second worst in the OECD, with a rapid deterioration observed in the teenage years. Further, according to health experts, there is a four-fold increase in dental decay between the ages of 12 and 21 and almost half of all teenagers have some signs of gum disease. It is a problem that is getting worse.

It is quite alarming and that is why, today, I commend the Rudd government and the Minister for Health and Ageing for taking action in an area of health that obviously needed urgent attention. The consequences of poor oral health are obvious. Neglect of oral hygiene leads to serious dental problems and ultimately to other more serious medical conditions, as I have referred to in the case of my father-in-law. Regular check-ups prevent cavities and other dental diseases and, further down the line, expensive dental procedures or even hospitalisation.

I applaud the investment in our health system. The benefits are for the long term, not just for the here and now. The Teen Dental Plan is an excellent preventative measure that will ensure young Australians are fit and healthy and ready to participate in an active life.

In my seat of Lowe alone, this Teen Dental Plan will potentially assist some 9½ thousand teenagers. Dental health care is an issue many of my constituents raised as a matter of concern before the last election and I am happy to stand here today and to say that the Teen Dental Plan is another major election commitment that the Rudd government is now honouring and now delivering. It is part of the larger overhaul of the dental health system, with the re-establishment of the Commonwealth Dental Health Program. It will be reintroduced to ensure that those who are in most need, those who find dental costs too expensive and simply cannot afford it, will get the dental assistance they need.

The Rudd government has looked at our dismal records and realised how important dental health is for the overall wellbeing of our nation. That is why the government will invest, as I have mentioned, $510 million in a Teen Dental Plan and $290 million to provide up to one million additional dental consultations to clear up waiting lists around the country.

The $800 million commitment that the Rudd government is making in better dental health for all Australians should be commended and applauded.

Fadden Electorate: Oxenford and Coomera Community Youth Centre

Mr ROBERT (Fadden) (4.48 pm)—I seek to raise a serious issue that pertains to the Oxenford and Coomera Community Youth Centre in Oxenford on the Gold Coast. The centre was founded seven years ago by the Oxenford Christian Fellowship, who
raised approximately 90 per cent of the $1.5 million to get the centre established, with significant support from the Gold Coast City Council.

It is the only substantial youth centre in the northern Gold Coast, which is the fastest growing region in the nation—and, indeed, Fadden is the fastest growing federal electorate in the nation. In brief, the youth centre is governed by a set of rules that require the board to stand down for re-election every two years at an AGM. The last AGM was in 2003. The current board are therefore acting ultra vires. They are beyond power and acting in breach of the constitution and must stand down now for re-election by the full membership.

The eight-person board are now at loggerheads, with four of the board seeking to gain control of the centre and, indeed, sack the founding Oxenford Christian Fellowship from their management role. These four have taken what I consider the extraordinary action of refusing to acknowledge approximately 100 members who have sought join the centre, and they have also sought to deny the membership of those members who existed pre association.

All members should be able to vote, including those who were members prior to incorporation—these members are referred to in the original application as inaugural members. Approximately 100 community based people have sought to become members of the community centre by filling in the appropriate form and sending a donation, yet none of these memberships have been processed.

The *Gold Coast Sun* on Tuesday named these four board members, including the board secretary, Queensland Police Inspector Des Lacy. I have recently been provided with a statutory declaration stating that these four board members sought guarantees that their position on the eight-person board were secure. When this guarantee could not be given they apparently sought to call off an AGM that had been set for 28 November last year and sought to remove the Oxenford Christian Fellowship as managers of the centre.

The *Sun* stated that Inspector Lacy is further resisting any move to call an AGM until December 2008, even though the last AGM was in 2003 and the constitution requires an AGM every year and the board to be re-elected every two years. There is also contention now that only the eight on the board are voting members. Clearly, this situation is unacceptable.

Furthermore, the board secretary has stated in writing that, should the other board members legally contest any actions, he will defend these with the costs borne by the Oxenford youth centre. I again find this completely unsatisfactory and question its legality, considering the board is at loggerheads and should therefore have little authority to make such decisions.

There is a complete governance breakdown, with the board unable to agree to call an immediate AGM and not willing to stand down to allow the members to vote. Furthermore, members are being denied their right to vote. The centre is managed by the Oxenford Christian Fellowship, who founded the centre and are not having their management contract renewed at the end of this month, even though the board is deadlocked and should not be able to make such a contractual decision.

I have publicly called for the board to stand down. They have not done so. The current media coverage shows the depth of community feeling on this issue, which I can attest to in the fact that I have fielded more calls on this issue than on any previous issue.

There is also a $1.5 million grant through the Regional Partnerships Program currently
under consideration by the federal government. Clearly this grant cannot be awarded with the centre governance in such a parlous state and the eight-person board not standing down to allow the members to vote. I have previously spoken in this House to urge the responsible minister to expedite this approval and I will continue to fight for the Oxenford and Coomera Youth Centre, but I expect it to operate properly. I have formally written to the Queensland Attorney-General asking for immediate intervention and calling on the management committee to stand down. Only this will engender the satisfaction that the community demands. There is a mechanism to break the eight-person management committee deadlock, through the Gold Coast division 2 councillor acting as a mediator with binding powers. I will be asking the new division 2 councillor to exercise their power of mediation as soon as possible following the election this weekend to call an AGM. I have no involvement in the centre nor do I have a conflict of interest with any of the eight members. This is truly a community issue that needs to be addressed in a bipartisan fashion in the interests of the youth and community of the area. I call on all parties to do the right thing. (Time expired)

Parental Leave

Mrs D'ATH (Petrie) (4.53 pm)—I rise to speak about the issue of parental leave. I do so in light of the announcement by the Rudd Labor government that the Productivity Commission will examine ways the government can provide improved support to parents and newborn children. I commend the government for this decision and I encourage the Productivity Commission, as part of their public hearings, to come to north Brisbane to hear from my local community. What I want to explore today, though, is something that gets little mention, and that is the role of the father in work and family balance. Currently, under section 282 of the Workplace Relations Act, there is an entitlement for all male employees who become fathers to access unpaid paternity leave of up to 52 weeks from the birth of their child. The problem is that this right is almost unknown. I know from personal experience, as my husband took six months paternity leave following my six months maternity leave after the birth of our children in 2000 and 2002, that many people are unaware of this right. I have continued to witness this lack of awareness in 2008.

In Australia, the analysis of the use of paternity leave by men is almost non-existent. Paid paternity leave was available, according to the ABS, in May 2006 to 31.7 per cent of male employees or a total of 1.441 million employees. However, the ABS has not conducted a study for males and paternity leave use comparable to its survey of females and their use of leave at the birth of a child. There is survey data from a study funded by the Department of Families, Community Services and Indigenous Affairs in a report titled Growing up in Australia: the longitudinal study of Australian children, written by Gillian Whitehouse at the University of Queensland, that showed that leave taken by fathers was quite different to that taken by mothers. Unsurprisingly, fathers took much shorter periods of leave than mothers did. The overall average duration of leave taken by fathers was 14 days, while for mothers the overall average duration of leave taken was 38 weeks. In addition, fathers were much more likely than mothers to take paid leave only, particularly forms of paid leave other than paternity or parental leave.

Although I agree that there is much to be done to improve our standards in Australia and to bring them up to ILO standards and in line with other developed countries, I do believe that when we are talking about the first 12 months of a child’s life we can do much more to inform the community of the choices
that already exist. Australian governments, industrial commissions and antidiscrimination tribunals have done much to ensure that women and businesses across the country are aware of the right of a female employee to take maternity leave up to 52 weeks after the first full year of employment. This is widely known and it would be uncommon to find either an employee or an employer who was not aware of this right. However, the same cannot be said about paternity leave. An OECD paper released in November 2007 entitled *Matching work and family commitments* stated in relation to parental leave entitlements:

If both parents were to take their individual leave entitlements consecutively where these are available (or take leave simultaneously on a part-time basis), this would go some way towards covering—

the important period of six to 12 months of the child’s life.

The policies in many European countries try to stimulate fathers to spend more time with their children by legislating periods of paid parental leave exclusively for their use. There has been some success, as many fathers use a short-term, two-to-four week, period of paid leave. However, taking such short periods of leave does not reflect a fundamental behavioural change on the part of fathers. Paternal attitudes are not the only issue, as mothers frequently are reluctant to give up leave in favour of their partner taking leave. Iceland seems to have made the most progress in getting fathers to spend more time with their children. Since reform in 2001, each parent has the right to a non-transferable three-month paid leave period, with another three-month period of paid leave to be shared among partners. In 2000, the share of parental leave days used by fathers was only 3.3 per cent but, since reform, this has gone up to around 35 per cent. In other OECD countries, the debate about individualisation of paid parental leave entitlements and a more equal sharing of care responsibilities has yet to start in earnest. There are many benefits to shared parental leave. I accept that Work Choices realistically did much damage to the entitlement of paternity leave and that we need to catch up to simply bring workers’ entitlements back to the level they were prior to the damaging Work Choices laws. However, these rights do exist for many and I believe that an education program needs to be run by both the federal and state governments to lift the awareness of this entitlement and to encourage both men and women to discuss their options as valid alternatives. With this, we may begin to move forward on the issue of work and family balance.

**Ryan Electorate: Youth Leadership**

Mr JOHNSON (Ryan) (4.58 pm)—I am pleased to be speaking in this great chamber, this house of democracy, as the federal member for Ryan, representing the wonderful people of the western suburbs of Brisbane. I want to take this opportunity in the parliament to commend the young people I met in my electorate several weeks ago who won the 2007 Ryan youth leadership awards. I instigated these awards when I became the member for Ryan in 2001 to celebrate the achievements and accomplishments of our young people because I felt that they ought to be recognised and celebrated. They are outstanding young people. The two young people I want to refer to come from a family in Mt Ommaney in the centenary suburbs. These two young people have taken on the wonderful art of karate. In their spare time, they not only learn the art of karate but also teach it. Anyone who is practised in the art of karate or in martial arts will know that it is a wonderful art—and I call it an art—because it gives you a sense of discipline, it gives you a certain type of value, a respect—

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CHAMBER
The SPEAKER—Order! It being 5 pm, the debate is interrupted.

House adjourned at 5.00 pm
The DEPUTY SPEAKER (Ms AE Burke) took the chair at 9.30 am.

STATEMENTS BY MEMBERS

Cowan Electorate: Rawlinson Primary School

Mr SIMPKINS (Cowan) (9.30 am)—This morning I would like to speak briefly on the circumstances of the Rawlinson Primary School, which is within the electorate of Cowan. Rawlinson Primary is in the suburb of Marangaroo. It is a fairly new school, being about three years old now. The school is really thriving, and there is great diversity amongst the school’s population, with about 30 per cent being Vietnamese and about 18 per cent being Macedonian. Unfortunately, however, although this school is a thriving school in lots of respects, it is subjected to quite an amount of vandalism, break-and-enters and those sorts of crimes, which has a very negative impact on the children at the school.

On my visits to the school it has been very easy to see the etchings on all the glass panes as well as graffiti. I put that down to antisocial, criminal elements within the local area and possibly beyond. One of the major problems is that there is no security fence, and there is a desperate need for one. That was an issue before the last election. We tried to get the state government to realise that around $230,000 worth of damage and stolen property within a two-year period is probably enough reason to justify the spending of around $130,000 on a security fence. This school is not the only school within the electorate of Cowan that has these sorts of problems but it is probably the most extreme case. Something does need to be done. I personally wrote to the state minister about the matter early last month but I am yet to receive a reply.

I would like to pay tribute to the principal, John Mistilis, and the P&C—Kym Bonney and her team there—who have tried to progress this issue locally. I look forward to a time in the future when this matter can be dealt with properly and the problem fixed with higher-grade security. I pay tribute to the school community and hope that this matter will be resolved very quickly.

Burma

Ms OWENS (Parramatta) (9.33 am)—On 24 November last year, in the evening while we in this House were occupied with the election, the Burmese Medical Association of Australia and the Burmese community jointly hosted a fundraising function at the Ukrainian Hall in Lidcombe in response to recent events in Burma. Several hundred people attended the function and a petition was taken urging the Australian government to assist those most in need, in collaboration with like-minded nations and under appropriate supervision. Dr Raymond Tint Way, the Vice-President of the Burmese Medical Association of Australia, brought the petition to me and asked that I present it to parliament. I will read some of the petition onto the record today so that members of the Australian Burmese community can speak to this House in their own voice:

We, the undersigned representatives of the Burmese Medical Association of Australia and the Burmese community in Australia, respectfully address the following concerns . . .

We refer to the recent disturbing events in Burma which involved the revered Buddhist monks in a crisis, although they do not usually concern themselves with worldly affairs. The monks have stood side-
by-side with the people in their economic hardship, deprivation of liberty, and inadequate health care. They have prayed with and for the people peacefully, and for a resolution of their impasse. The people's suffering intensified as they witnessed the helplessness of the revered monks in resolving the crisis. The conscience of the world was moved by these events. An editorial in the prestigious British Medical journal the *Lancet* (vol. 370, 27 October 2007) pointed to the ailing health system of Burma, which has not coped with the demands placed on it, with the disastrous consequences that Burma has been ranked 190th out of 191 nations in health care provision. The editorial also stressed the urgent need to address the root causes of both the health system failure and the widespread suffering among the people, as well as the necessity to ensure that humanitarian aid reaches those in the most desperate need by preventing it from being siphoned off.

The following account, which we received from sources inside Burma in recent weeks, gives a true representation of the suffering of the great majority of the Burmese people… Prices of food and bare essentials continue to rise sky-high. There is no adequate medical treatment for the sick. Unless you have money you cannot get treatment at all. If you can get into a general hospital you have to supply even cotton wool. Blood is auctioned and only the highest bidder can get blood in hospitals.

We thereby call upon the Australian government to take a lead in forming a network of like-minded nations to provide humanitarian aid, including food and medicine, to those most in need, both within Burma and at the Thai-Burmese border area, to be accompanied by technical, medical and surgical teams, with the distribution to be monitored and supervised by United Nations agencies.

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

I seek leave to table this petition, with the attached 176 signatures.

Leave granted.

The DEPUTY SPEAKER (Ms AE Burke)—I call the member for Casey and wish him a happy birthday.

Casey Electorate: Volunteers

Mr ANTHONY SMITH (Casey) (9.36 am)—Thank you very much, Madam Deputy Speaker. We in this place all know that the strength of our local communities is very much dependent on the tireless volunteers and the community leaders who deliver so much on the ground. Government plays a critical role in terms of programs and funding but, without the volunteers and community leaders who are there to drive the projects and inspire their communities, a lot less would be done in our communities. We all know that the strength of our local communities depends on their great work. I wanted to take the time today to mention some of those community leaders and volunteers and some of the projects that have come about because of their hard work.

I would particularly like to mention three projects dealing with crime prevention and security cameras. These projects have come about because of great community work and great community leadership, resulting in federal government funding. I mention firstly the security cameras that were obtained by the Croydon Main Street Traders Association. Monika Meyer and Senior Constable Julie Simpson worked tirelessly with the traders to secure funding for those cameras. They put in some funding of their own, secured some council funding as well, and the result has seen a massive improvement in crime reduction in the Main Street Croydon area.

Similarly, grants for security cameras were successful for the Mooroolbark traders. I pay tribute to Geoff Peirce; Sergeant Richard Higgins; the Mount Evelyn Township Improvement Committee, led by Jan Simmons from Morrison House; and Sergeant Lisa Brooks, who was...
also successful in gaining funding. Those cameras will be installed in the not-too-distant future. Without the work of the volunteers, those applications would not have been successful. Those projects will have a very real and tangible impact on their communities.

I would also like to pay tribute to the Montrose Recreation Reserve Redevelopment Committee, who have worked very hard in the Montrose area to obtain funding over a number of years for the redevelopment of the Montrose precinct. I particularly pay tribute to Ken Dowling and Julie McDonald. Both were instrumental in collating the information necessary for the successful application for funding—funding that was matched by the Shire of Yarra Ranges and also the state government.

Climate Change

Mr KELVIN THOMSON (Wills) (9.39 am)—A couple of weeks ago in this place, during debate on the appropriation bills, I raised the issue of the state of the world’s coral reefs and in particular the threats that are being posed to them by global warming in the shape of increased warmer water temperatures and increased carbon dioxide. I have to report that a couple of studies produced by the Australian Institute of Marine Science in the last week or two draw attention to another very serious problem confronting the Great Barrier Reef and other coral reefs around the world in the shape of changes to the acid balance of oceans and acidification, which is also a consequence of increased carbon dioxide being absorbed by the world’s oceans.

The Australian Institute of Marine Science indicates that there are worrying signs that warmer sea water and a change in the acid balance of oceans are leading to a curtailing of the growth of important reef-building coral species. A paper published in the journal Global Change Biology points to a 21 per cent decline in the rate at which porites corals in two regions of the northern Great Barrier Reef have added to their calcium carbonate skeletons over the past 16 years. The researchers speculate that the results may be an early signal that the corals, as well as being subjected to warmer water, are being affected by the phenomenon known as ocean acidification. This is a predicted consequence of climate change in which large quantities of carbon dioxide from the atmosphere dissolve in the oceans, causing the alkaline-acid balance, or pH, to shift towards acidic.

The fact that they have been able to survey a number of different sites and get similar results is, they believe, strong evidence that something unusual is happening. Reef-building corals create their hard skeletons from materials dissolved in sea water, and when large amounts of carbon dioxide enter sea water the resulting chemical changes effectively reduce the ability of marine organisms to form those skeletons. There is also research by fish ecologists at the Australian Institute of Marine Science, James Cook University and the University of Edinburgh indicating that the development of fish is being affected as result of acidification and warmer sea water. This causes them to get lost during this crucial stage of their development.

These are very serious issues. I commend the work of the Australian Institute of Marine Science, the Great Barrier Reef Marine Park Authority and the Great Barrier Reef Foundation, who visited parliament this week. The important work that they are doing needs to be supported so that we can protect our coral reefs. (Time expired)
Pensions and Benefits

Mr BILLSON (Dunkley) (9.42 am)—I join with many Australians who are not certain but who would like to think they could welcome the Rudd Labor government’s kind of decision relating to the bonuses paid to carers and age pensioners. We are sort of getting somewhere. We are not quite certain, though, whether we can completely welcome it. We are not certain whether the many people who look to those bonus payments can do so with relief and with optimism that that lump sum of cash—cash that can fund much-needed repairs on their car, replace an important home appliance or be the nest egg that they can use to invest in a holiday and a chance to recharge their batteries, which are all very important issues—will still be available. We think we can be optimistic about that, but we are not quite sure.

We have heard the long-awaited declarations of what truly is the Labor government’s position. It is still vague. We have heard that carers and pensioners will not be worse off under the budget, but we still have not quite got to a very simple statement that the sound economic management of the Howard government that made these bonus payments possible will be carried forward by the Rudd government. We are waiting to see whether we can get that clear declaration. There has been a lot of speculation about it, but I know that in the community that I represent in Dunkley it is a very important issue. There are more than 2½ thousand local people on the carers allowance. There are probably another 580 on carers payments and many age pensioners who would like simple, plain-speaking, frank, up-front, honest information on what their benefits are. With the Rudd government inheriting an enormous budget surplus from the former Howard government, this should not be a point of conjecture or consternation; it should be very easily sorted out. I call on the Rudd Labor government to be clear about what they are planning to do.

It would be helpful for those claiming to be fiscal conservatives to realise that it is conservatively estimated that carers save the Australian economy $16 billion a year. Seventy-four per cent of all the services that people of high care and support needs receive come from those carers and those volunteers providing the very assistance that the previous government sought to recognise. I would like to draw a link to the ongoing work of carers and point particularly to carers of children with autism.

On 27 October the former Minister for Families and Community Services and Indigenous Affairs, Mal Brough, came to my electorate. We visited the establishment of an innovative therapy centre for primary school age children with autism in Mornington. Those families who selflessly contribute to the development of their children and to improving their functionality and quality of life had moved forward to set up this very innovative program and they were elated that the Howard government had announced a $190.7 million program to assist young children with an autism spectrum disorder. We have seen that Labor can find money to bring the Tree of Knowledge back to life. Why don’t we put some money into preparing young people with autism for a better life, developing their knowledge and functionality, and pick up this very sound policy introduced by the former government? (Time expired)

Dare to Lead Excellence in Leadership in Indigenous Education Awards

Ms JACKSON (Hasluck) (9.45 am)—I want to speak this morning about the Dare to Lead Excellence in Leadership in Indigenous Education Awards, which have been presented annually since 2004. These awards recognise schools that demonstrate high levels of effective leadership, Indigenous community involvement and improvements in targeted outcomes. The
schools that are considered for the awards must demonstrate that they have implemented programs and strategies that measurably improve outcomes for Aboriginal and Torres Strait Islander students.

I was delighted recently to learn that two schools in my electorate of Hasluck have been recognised as high achievers in the latest round of those awards. The first I want to mention is Yule Brook Community College in Maddington. This school has a dedicated teaching and administrative staff, who are held in very high regard by the local community. Over the last few years, they have had outstanding success in genuinely engaging with the local Aboriginal community. The college has a compact with the Aboriginal community, especially the Aboriginal parent community. The compact outlines how the school and the community can work together in partnership to improve the outcomes for Aboriginal students within the school. The simple lesson involved in this compact—one that we can all learn from—is: take the time, listen to each other, find out what people genuinely require and expect and then begin to implement and work towards those goals together. Last year the school was also recognised by the local community leadership awards presented by the Maddington Kenwick Community Leadership Network. I want to commend the school for its outstanding efforts and congratulate it for receiving this award.

The second school in Hasluck to be recognised is Governor Stirling Senior High School—or ‘Govo’, as it is more affectionately referred to locally. ‘Govo’ is part of a partnership with Swan View Senior High School and my own former school, Lockridge High School, in the Midland-Swan region. The partnership they have created is with industry and the community to improve the opportunities for Indigenous students to complete year 12 and to move into meaningful vocational training and/or employment. The project, which is called the Midland Indigenous Youth Project, is an excellent one. All three schools are excellent government schools. The program targets kids who do not usually complete year 12 and directs them towards meaningful employment and/or training opportunities.

I want to commend and congratulate those schools for their involvement in the program and congratulate them for receiving their award. I look forward to meeting with the staff and the parents and citizens of Governor Stirling Senior High School in the not too distant future, as we concentrate on other ways to improve the resources and standing of the school.

Flinders Electorate: The Sisters

Mr HUNT (Flinders) (9.48 am)—I rise to ask the state government of Victoria to purchase a piece of land known as ‘the Sisters’ on the edge of Sullivan Cove, in Sorrento, on the Mornington Peninsula. I want to set out three elements. Firstly, there is the land itself. The land was the site of the Collins settlement of 1803. It was the first such settlement in Victoria, and it was 32 years before the founding of Melbourne at Sullivan Bay. It was established under Lieutenant-Governor David Collins, and 458 people set up home on this land, between two headlands known as the Eastern and Western Sisters.

The land now is known as the Sisters property. It comprises approximately three acres. It is waterfront land. It is unique in all of Victoria and, arguably, within Australia. It is largely undeveloped but for a small house. The media reports that it may sell for in the vicinity of $20 million. It is a once-in-a-century chance to secure one of the great open public parks on Port Phillip Bay. I say all of this aware, as well, that the site was used as a parade ground. There are two large olive trees that were likely to have been planted by Lieutenant-Governor Collins.
himself. There is, reportedly, an Aboriginal midden that appears to have been continuously used for almost 2,000 years prior to European settlement. It is an integral part of the entire Collins settlement.

There is a very strong precedent here that was established by the former federal government. We put in place a process which saved Point Nepean. That meant that there was $50 million of express Commonwealth cash granted to the preservation of Point Nepean and probably about $150 million of forgone revenue by not selling that land. That means a total Commonwealth contribution of up to $200 million for the site at Point Nepean. We are now seeking that for perhaps one of Australia’s great coastal park sites. The Victorian government, which made such noise about Point Nepean, now puts up about one-tenth of precisely that which the previous government gave. This site is outstanding. It is direct coastal land right onto the beach. It is essentially undeveloped. It is unique in, I think, not just Victoria but almost all of Australia. I say to the Victorian government: match that which was done but on one-tenth of the scale, in relation to Point Nepean. Bring the Sisters back into public hands and create one of Australia’s great coastal parks.

Alcohol Abuse

Ms GRIERSON (Newcastle) (9.51 am)—After raising this issue in the last fortnight of parliamentary sittings, I am delighted to again speak on the same matter and be able to commend the Prime Minister for his announcement on Monday of a $53 million national strategy to address the binge drinking epidemic that young Australians are experiencing. The need is dire. Our young people are too important to be left unassisted in the challenging years of their lives, when they experience an intensity of emotions and desires, when peer pressure has such influence upon them, but when they also lack the life experience and knowledge to always exercise sound judgement. An excellent package was announced: $14.4 million to invest in community level initiatives, particularly in sporting organisations, to confront the culture of binge drinking; $19.1 million to intervene earlier to assist young people and ensure that they assume some responsibility personally for their binge drinking; and $20 million to fund advertising that confronts young people with the costs and consequences of binge drinking. It is an excellent package. It will have success. Certainly in Newcastle we hope it does.

As The 7.30 Report on Monday night reported, our city is in the middle of a debate on alcohol abuse and binge drinking and its impact. The Liquor Administration Board will soon hand down a decision about closing times in the city, after police requests for a 1 am lockdown and 3 am closure. Although this is not supported as widely, perhaps, by young people, the process is the correct one. The decision, whatever it is, has to be respected, supported and, hopefully, evaluated by everyone involved. Residents, hoteliers, young people, businesses and workers are all, rightly, having their say on this issue. It is being debated widely, and I thank the media in my city for encouraging that. The deliberations on closing times are happening. In Newcastle, hotels do close at various times through the morning, and movement throughout the city of revellers has become a major problem.

With the Prime Minister’s announcement it is a good time to look closely at the causes of alcohol abuse and binge drinking, particularly among young people. Some of the issues young people have raised with me are the pressures of juggling study and work, boredom, lack of entertainment venues, peer pressure, lack of understanding and education about the risks of excessive drinking, thinking it is okay, problematic family relationships, and exposure to fam-
ily and community patterns of excessive alcohol consumption. I note that some of the Prime
Minister’s package—education, advertising and early intervention—will help to address some
of those pressures that young people face. But we cannot become fun police. Young people do
need to express themselves. They do need to have good times. But they need to do it in a way
that is not harmful to themselves. They are clearly saying, though, that too few hotels offer
live entertainment, that drink spiking happens and that drug selling happens. Those combina-
tions, as we know, are lethal. I do commend the Prime Minister’s announcement. Today I
commit to Newcastle that I will do all I can to ensure that this $53 million investment brings
real benefits for our community. (Time expired)

Forrest Electorate: Busselton Jetty

Ms MARINO (Forrest) (9.55 am)—I am constantly being contacted by many constituents
in the Busselton area who are concerned that there has been no answer from the new federal
government—in the positive or the negative—to the Shire of Busselton’s funding application
under the Regional Partnerships program for its proposal to rebuild the Busselton jetty. I un-
derstand that meetings with the federal Labor ministers have been requested by the shire but
there has been nothing but silence from the government. The Busselton Shire has committed
$6 million to this project and sought federal funding assistance to match its contribution.

The shire has also approached the Western Australian state government for matching funds.
In August 2007 the Western Australian government offered a matching $6 million in funding
for this project, but such funding was conditional upon the state government having access to
an income stream from six parcels of land right on the Busselton foreshore to be retained as
ground leases—with an estimated value of $20 million in today’s terms—over the life of the
50-year maintenance program. The state government is expecting to be refunded the $6 mil-
lion funding commitment and more from these ground leases. Only after the state govern-
ment’s contribution has been refunded will the Shire of Busselton be able to utilise the income
stream for jetty maintenance purposes.

Along with many other south-west residents, I was disappointed to see the unconditional
acceptance of the state government’s offer, which did not take note of strong community con-
cerns. Objection to the state government’s conditions has been a consistent response from the
local community. I do not support the conditions tied to the state government funding, which
will basically see the Busselton community lose its public land on the foreshore in exchange
for the jetty project. There really has been no commitment from the WA state Labor govern-
ment, as it stands to gain substantially more from the proceeds and the property leases than its
mere $6 million initial contribution. The sacrifice of future foreshore public open space or
well-planned, locally-driven development initiatives is short-sighted. With such a budget sur-
plus surely the state governments can do better than this.

I am focused on ensuring that the federal government sees the merits of this project and ul-
timately approves funding. I call on the Minister for Infrastructure, Transport, Regional De-
velopment and Local Government to announce this immediately, approve the funding and
start talking openly to the Shire of Busselton and the residents so that the project can finally
have its funding confirmed at the federal level. I believe that the Busselton jetty rebuild pro-
ject is not only an important project for the future of Busselton but also is an historic tourist
icon that plays a vital role in the economic and social history of the greater southwest region.
We are hearing constantly about ending the blame game. Well, here is a prime opportunity for

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the government to put its money where its mouth is and announce funding for the Busselton jetty project. *(Time expired)*

**Pensions and Benefits**

*Ms HALL* (Shortland) *(9.58 am)—I want to place on record my absolute disgust at the opposition raising concerns and anxiety among carers and pensioners about whether or not they are going to get paid a bonus this year. To put this into context, this was not an issue until it was raised by the other side of the chamber. The budget is to be brought down in May. There was nothing in the forward estimates in relation to the carers payment. It has always been considered and announced at the time of the budget.*

I consider that it was absolutely hypocritical of members of the opposition to stand up in the parliament and ask question after question about this issue when, in the information that they took to the people of Australia they said that they would consider, if re-elected, paying the bonus—and of course that was dependent on economic conditions. There has been speculation driven by the opposition, and the absolute hypocrisy of it really leaves me cold. It just demonstrates how heartless members of the opposition are, in that they are prepared to use carers and pensioners, the most vulnerable people in our community, as pawns to get across their political message and to get some time in the media.

Carers play a very valuable role in our community. Without the work of carers, without their dedication and the endless time that they give to the people that they love and care for and have made a commitment to over a long period of time, we as a nation would be a much poorer place. That members on the other side of this House are prepared to create anxiety and fear and to use carers in the way that they have used them over the last two weeks is an absolute disgrace.

The carers bonus has been in place for four years. The pension bonus was given last year and, to be quite frank, I feel it was just a bribe by the then government and now opposition to pensioners to say, ‘Vote for us and we will consider giving you this bonus next year.’ I put on the record that I condemn members of the opposition for the fear and anxiety that they have created in our community and the impact that this has had on the lives of carers and pensioners. *(Time expired)*

*The DEPUTY SPEAKER (Ms AE Burke)—During members’ statements, the member for Parramatta tabled a petition. The document will be forwarded to the Standing Committee on Petitions for its consideration and will be accepted, subject to confirmation by the committee that it conforms with standing orders. In accordance with standing order 193, the time for members’ statements has concluded.*

**INFRASTRUCTURE AUSTRALIA BILL 2008**

**Second Reading**

Debate resumed from 12 March, on motion by *Mr Albanese*:
That this bill be now read a second time.

*Mrs VALE* (Hughes) *(10.01 am)—The Infrastructure Australia Bill 2008 is of particular interest to the people of my electorate of Hughes because of two key infrastructure proposals which are of concern to my residents—namely, the long-overdue F6 corridor through Suther-
land and the more recent suggestion of a large intermodal freight hub at Moorebank. Hence I am pleased to be able to speak on this bill.

The bill’s purpose is to establish an entity, Infrastructure Australia, to advise all levels of government, investors and infrastructure owners on matters relating to the provision of infrastructure across Australia. This advisory body will undertake a national infrastructure audit and develop a set of guidelines to replace those currently used by the governments of each state and the Commonwealth. To make this legislation as effective as possible on a national level, I respectfully contend that the federal government should give favourable consideration to the amendments which will be proposed by the coalition. These amendments will ensure that the new infrastructure authority created by this bill will not simply be another useless entity to excuse state Labor’s failure to act on infrastructure planning and development. It is feared by many that this proposed advisory authority could take years to develop a list of priorities and could take further years to make any contribution to improving national infrastructure.

The coalition will move three technical amendments which will address the lifting of restrictions upon Infrastructure Australia to allow it to undertake reviews, of its own volition; to make the minister’s power to give new functions subject to parliamentary scrutiny; and to ensure that the minister seeks advice from Infrastructure Australia before appointing the Infrastructure Coordinator, to reduce the temptation to appoint a special mate to this important post.

With great optimism, I therefore wish to bring a number of local issues to the attention of the House to support the argument that the proposed authority needs to be a body that will not simply continue Labor’s appalling record of neglect and indifference at state and territory level on the planning and construction of major roads and rail. These continue to create bottlenecks in and around our capital cities. For instance, past infrastructure debacles instigated by the New South Wales state Labor government include the Cross City Tunnel, the Lane Cove Tunnel and the Kurnell desalination plant, to name a few in our Sydney region.

At a local level the most important infrastructure proposal that concerns those of my constituents in the Sutherland shire area of my electorate is the long delayed extension of the F6 corridor from Loftus to Captain Cook Bridge and Taren Point. Around 2,500 motor vehicles and freight vehicles travel daily through the Sutherland shire from the Wollongong and Illawarra region to Sydney and return again. The traffic congestion on the Princes Highway and the other important arterial roads in the shire is monumental and the greatest cause of frustration to all road users. The stopping and starting at the many traffic lights in the long lanes of traffic on the highway adds to the greenhouse gas emissions but, more importantly, it is an issue of road safety for local residents. In Heathcote alone there have been four deaths on the Princes Highway in the past three years due to intense traffic use, one being a small boy on his bike at the lights at Heathcote.

The corridor extension of the F6 has been planned since the early 1950s. Indeed, when my husband and I purchased our home near President Avenue in Gymea, one of the major arterial roads of the shire, we were advised that the F6—just a few blocks away—would be built in the next 10 years. That was in 1965 and I and the rest of Sutherland shire are still waiting for this vital modern improvement to the 1950s road system that currently exists in the area. The extension of the F6 through the Sutherland shire is now critical. My constituents are sick of...
wasting precious time sitting in the traffic for hours on end each and every day of the week. We need a properly planned F6 corridor to provide the modern roadway that people in modern Australia have come to expect. Better road infrastructure means less time on our roads for local families but also less pollution. This roadway is decades overdue.

Without the F6 corridor, the future is grim for shire residents travelling to the city. The future will bring more of the same, but increasingly worse. With the expansion of the port facility at Port Kembla and the exponential growth in the Illawarra region, it is expected that several hundred trucks alone will be added to the roadways of my electorate in the next few years. That means around 200,000 trucks per year increasing wear and tear on our 1950s roadways, making them even more dangerous. The F6 corridor would create a safe, direct route for all motorists. It would mean fewer large trucks on our local roadways and safer conditions for pedestrians and families in my electorate.

At the last election the coalition government committed $20 million for the New South Wales state government to undertake planning and preliminary works for the proposed F6 corridor. In the interests and safety of all road users of the Princes Highway from Wollongong through Sutherland shire to the city, it is vital that the current government confirm and follow through on this commitment that was ardently supported by me and the member for Cook, Mr Scott Morrison, on behalf of the people of our electorates during the 2007 election campaign. This promise of $20 million represented great hope for the many road users who use the roadway, not only the people of Wollongong but especially the residents of our electorates. After nearly 60 years on the planning table this vital infrastructure is well and truly overdue.

The new advisory authority Infrastructure Australia could not be more welcome if it delivers on its promise. The $20 million announcement by the previous coalition government was part of the 2020 plan for Australia’s transport future—an integrated vision tackling local roads and national highways, much needed by local residents as well as interstate, long-haul freight vehicles. The need for the F6 corridor is also a key priority identified in a survey conducted by the NRMA, which reflected the widespread community concern about the urgent need for this road link. Yet the New South Wales state Labor government continue to regard the needs of motorists and residents in this area with indifference and have effectively shelved the F6 corridor for some unidentified time in the distant future. The $20 million commitment was to be funded through the AusLink National Network program and was based on a 50 per cent share of the funding required, with the remainder to be paid by the New South Wales government. It is with some hope that this legislation will mean that the need for this road corridor will again be brought before the state government as a vital piece of infrastructure and they will no longer be able to sit on their hands.

While I am fully aware of the strong support in the community for the extension of the F6 corridor, I am determined to ensure that there is extensive community consultation in relation to its environmental impact; that the latest roads construction methods are used to maximise the retention of open space; that the road allows for future traffic growth; and that all contract details are transparent so there can be no secret deals to close local streets, which forces motorists onto a toll road with no viable free alternative, as in the cross-city tunnel fiasco. Improved transport options should be integrated into any proposal and any other legitimate concerns of the majority of residents should be properly and justly addressed. The New South
Wales state Labor government has ignored the F6 corridor for far too long and the time for some real action is now overdue.

Whilst speaking of public consultation and transparency relating to large infrastructure projects in my electorate I would like to refer to the recent suggestion to place a large intermodal freight hub in my electorate at Moorebank near Liverpool. It is critical that my constituents are consulted and given every opportunity to have their concerns made known to the state planning authority on this proposed container terminal at Moorebank. While freight demand is forecast to almost double by 2020, it is essential that projects of such scale are carried out in an open and transparent way. My constituents have so far been kept in the dark about this proposal. There is uncertainty surrounding the proposal, which is said to be established on the present site of the defence school of military engineering utilising the M5 from Port Botany and other major roadways and upgrading and specially designating a freight rail track at Liverpool to distribute freight across the state. While this proposal for a significant infrastructure project is in its very preliminary viability planning stages, the New South Wales state government must be aware that such infrastructure, although vital for the economic life of our state and our nation, must take into account the needs and concerns of local residents at Moorebank and Wattle Grove. They must be taken into consideration and, if necessary, must be addressed in a generous way.

I assure all of my constituents and families in this area that, should this project proceed at Moorebank, I will ensure that their needs and concerns regarding the traffic, noise, pollution, environmental issues and any negative impact on the local neighbourhood amenity will be listened to and addressed by the government. As one Wattle Grove resident recently wrote to me: ‘Proposals to situate container terminals at the Defence sites at Moorebank have exposed unsavoury aspects of the state government’s freight policies. Firstly, the closure of commercial container vehicles from Sydney Harbour turned the greatest deepwater port in the world into a developer’s water feature. Secondly, the shift to expand Port Botany was against independent environmental advice. Thirdly, because the port at Botany is too small to handle and store the freight, terminals have to be built all over the city—but the biggest proposal so far is for Moorebank. The East Hills rail line happens to have a lead-off spur right into one of the proposed sites. The line is identified as a shared passenger/freight line. St George residents should take note or end up with the possibility of thousands of containers on 24-hour 600-metre-long trains keeping them awake all night. Also the port expansion will see even more on the roads. What an awful mess we are in. Residents should complain to their local MP.’ And complain they certainly have.

While we need to continue to reform and invest in the transport sector, it needs to be done in an open and transparent manner. That is why I am committed to fighting for the rights and concerns of my constituents. They have a right to know what is going on in their own backyard and I am determined to ensure that the federal and state Labor governments do not allow mistakes made on other infrastructure projects in the Sydney region—like the Lane Cove Tunnel—to reoccur and create any negative impact on the lives of my constituents and the peaceful enjoyment of their own homes.

I am also committed to securing a long-term transport solution for my constituents suffering in the Wattle Grove area. I have previously called on the New South Wales state government to build a new railway station at Wattle Grove as a matter of urgency to ease congestion.
on the Heathcote Road and to reduce the intense parking pressure at nearby Holsworthy railway station. Local residents have been crying out for a solution to the gridlock on our local roads in the Holsworthy area during morning peak hours for some time. This situation is set to get worse as more housing developments are opening up in the area of west Wattle Grove and the Georges Fair at Moorebank. Heathcote Road is choked with traffic in the morning, and there is also a chronic shortage of parking at Holsworthy railway station. Residents continue to express their frustration to me at the state government’s indifference to their concerns—it has no solution to the growing traffic problem. The population is fast growing in this region of Sydney. Local families must be assured that they can access local rail transport to get to work in a safe manner. The only answer is to have a new railway station on the East Hills line. Wattle Grove is the ideal position between Holsworthy railway station and Glenfield. I am determined to fight on behalf of local residents to see this solution delivered.

In conclusion, this bill sets up an advisory authority to do an audit of infrastructure requirements across the nation and develop a set of guidelines to which all governments can refer as their priority register of the infrastructure needs of many communities within each state. It is the hope of all of us here in this place that the federal and state governments will act on those priorities when they are identified, and it is with great optimism that I refer this new authority to the infrastructure projects in my electorate. Therefore, I warmly commend this legislation to the House.

Ms HALL (Shortland) (10.15 am)—This legislation that we are discussing today, the Infrastructure Australia Bill 2008, is going to develop a planned approach to infrastructure. It is an act to establish Infrastructure Australia and to appoint its coordinator. It is about a national coordinated approach to reform infrastructure investment, which is critical to Australia’s future economic performance and raising national productivity.

Sitting here in the Main Committee, I have heard speaker after speaker from the other side talking about state governments, with the previous speaker talking about a railway station in her electorate. That is not what this legislation is about. This is about a national approach to infrastructure investment. This is about planning. This is about the future. It is not about a railway station in any particular member’s electorate. It is not about blaming the state government for every problem that exists within our electorate. This is about moving on from the blame game. This is about the federal government taking responsibility through a national approach to infrastructure. To have the right sort of infrastructure in place in this country that is so vast is one of the most important issues that any government could possibly have before it.

In the last parliament I was a member of the House of Representatives Standing Committee on Transport and Regional Services, which brought down a report, The great freight task, looking at all the issues around infrastructure gaps and bottlenecks in relation to ports. The overwhelming issue that was apparent to me was the need to adopt a national approach. There were some very significant recommendations made in that report, which I am sure will be looked at by Infrastructure Australia. It is very pleasing to see that Sir Rod Eddington will be the inaugural chair of Infrastructure Australia. He is a person who has had a long history of looking at infrastructure. Part of his initial work will be developing long-term solutions to infrastructure gaps and bottlenecks, and looking at the decade of underinvestment in the na-
tional transport, water, energy and community assets of our country—assets that are vitally important if Australia is to be a competitive nation.

This legislation will put Australia in a position where we are accepting the responsibility and challenges of the future by ensuring competitive and efficient national infrastructure markets, setting clear investment priorities and putting in place an appropriate regulatory environment. It was a key election promise of the Rudd government and one of the initiatives and commitments that were put to the Australian people that led to the Rudd government being elected.

Infrastructure Australia will be charged with the development of a strategic blueprint for our nation’s infrastructure needs and, in doing that, I am sure they will be looking at this report. It is also going to adopt a cooperative process for the Commonwealth, states and industry. There is going to be a partnership. Everybody is going to work together. It is about stopping the blame game. It is about stopping one-off commitments to marginal seats or National Party electorates; rather, it is about ensuring that in Australia we have got a planned approach, we identify the needs and we make sure that we deliver on those important issues for the future.

On this side of the parliament, we are about nation building. We are about the future. We are about taking Australia forward so it can be an important player internationally rather than just reacting to issues on a one-off basis. Infrastructure is important if we are to have ongoing economic prosperity. It was the previous government’s neglect of infrastructure over the long, long 11 years that they were in government that has been one of the contributing factors to the economic position we find ourselves in today. The Rudd government will be dealing with that neglect. We will be adopting a national, coordinated approach to tackling those infrastructure bottlenecks that were highlighted in *The great freight task*, the report that was brought down in the last parliament.

Infrastructure Australia will drive investment where it is needed, not just in the electorates of marginal seat holders; rather, it is about planning. It is about good government. It is about a new era in government, something that did not happen in the last parliament. It is about developing a strategic blueprint for our infrastructure needs and it is about driving reform. It is not about whether some member needs to be placated in order to make sure that they will support a government initiative—which was the case with the last government—or whether the infrastructure is located in a particular National Party or marginal seat.

The Howard government had 11 long years to fix the infrastructure bottlenecks in Australia. It did not respond to this report that I have in my hand, *The great freight task*. It failed the Australian people in that. When I stand in this House and I hear speaker after speaker blaming the state governments, it says to me that, even after losing the election, they do not get it. They just do not get it. They do not understand that the future of Australia is in our hands and that we need to develop a planned approach. We need Infrastructure Australia to be in place. We need to embrace the tasks that are urgent. It is time to stop wasting time and it is time to stop blaming the states for every problem that exists. It is time to make sure that we have the infrastructure in place, that there is national coordination of infrastructure that will boost our economic efficiency, productivity and Australia’s international competitiveness.

This has always been the Labor way. It started with Ben Chifley with the Snowy Mountains Hydro-Electric Scheme. Gough Whitlam gave us practical infrastructure solutions such as
sewerage and hospitals. So did Tom Uren, Bob Hawke and Paul Keating. History will judge Labor as the party that always invested in infrastructure, and developed a planned approach to making sure that Australia as a nation has the right infrastructure to move forward into the future, and it will condemn the opposition as the party of the quick fix, the party that blamed the states and the party that failed to take leadership.

Ms MARINO (Forrest) (10.25 am)—I rise to speak on the concerns I have in relation to the proposed bill, Infrastructure Australia Bill 2008. This new body, Infrastructure Australia, was promised by Labor during the election campaign in order to improve the national infrastructure planning process and advise government and private stakeholders on infrastructure issues. However, the Labor government has given a very strong and often repeated commitment to the people of Australia to deliver on all of its election promises. As we are all aware, there were significant infrastructure projects committed to during the campaign. Will these same infrastructure commitments be funded and commencement dates announced prior to or during the 12-month review period of the Infrastructure Australia process? Of the funding available, given that the government’s election commitments are a priority, in what time frame can the projects identified by Infrastructure Australia actually be delivered? How will the government respond if Infrastructure Australia’s priority list does not match Labor’s infrastructure election commitments? Will the minister table the list of projects in the order identified by Infrastructure Australia? I will be particularly interested in the recommendations regarding state levies, taxes and charges and the indirect infrastructure costs on transport and housing.

Equally, under the provisions of the bill, the regulatory reforms recommendations will be a key part of the delivery capacity. I will be very focused on the outcomes of the recommendations of Infrastructure Australia given its role of identifying nationally significant infrastructure priorities, particularly given the importance of regional projects and what this actually equates to on the ground in regional areas. Regional Australia cannot afford to be marginalised by this process, particularly given the wealth generated in these areas. Good infrastructure for road, rail, shipping, telecommunications and other infrastructure is essential to exports, imports, industry and commerce, and critical for our day-to-day activities.

My electorate of Forrest in the south-west region of Western Australia is diverse, dynamic and covers an area of 23,900 square kilometres. Approximately a quarter of Western Australians who live outside the metropolitan area live in the south-west. The region boasts a population of over 145,000 people and has a growth rate well over twice that of the national average. The region’s population is predicted to grow to over 157,000 by 2011. There is always a continued requirement for road investment and maintenance. Roads are vital infrastructure projects for our regional development and urgently needed to cater for the increase in population growth currently being experienced. Spending on infrastructure projects such as roads affects the livestock, wellbeing and road safety of those who live and work in the south-west. Well-targeted and responsible expenditure will reap significant economic, environmental and social dividends in the future.

The coalition’s well-funded AusLink national transport program, which the Rudd government said it would embrace, has not as yet been embraced. We still await confirmation of that pledge in the May budget. However, I too have noticed that the more money the Australian government has put into infrastructure development, the less the states have chosen to provide, in spite of what is said. They have pulled back on expenditure when in fact they should
have been encouraged by the Commonwealth investment to provide even more funding, particularly in booming states like Western Australia and Queensland.

Many state governments have sought to avoid their share when a project has had shared responsibility. They have cut back also on their support for local government, which has meant that local roads have not had the full benefit of the Roads to Recovery program because, in the end, local government has had to raise additional funds to cover the state Labor governments withdrawing financial assistance to them in this area. It is disappointing that the states have, almost without exception, responded to the generosity of the federal government over the last decade or more by cutting back their own contributions. So the real benefit of some of this federal investment has not been realised at the local level. Responsibility for the funding and physical provision of infrastructure lies overwhelmingly with the states, not with the Commonwealth as is widely believed.

I have strongly promoted the need for federal funding for road infrastructure projects in my electorate of Forrest. The Labor Party announced a promise to fund $136 million for the Bunbury Outer Ring Road and the Bunbury Port access projects—critical regional infrastructure projects and crucial to the issue of public safety. Four major highways converge at the Eelup roundabout in Bunbury, creating the worst black spot within the entire state and only adding to the urgency for funds to flow for these road projects. I have already spoken in this chamber about the need for the federal Labor government to deliver on this funding promise to my electorate of Forrest, and I am most concerned that so far none of this funding promise has been delivered.

Just recently, the RAC made a media release entitled ‘WA’s killer highways revealed’, which called ‘on the state government to give Western Australia’s road infrastructure a major cash injection after it was revealed there are nearly 1,000 kilometres of substandard highways in WA’. The majority of the state’s 10 worst sections of highways were in the south-west, in my electorate. It went on to say:
The worst rated section of road was a 73km stretch of the South West Highway between Yornup, south of Bridgetown, to Shannon, south of Manjimup.

Following this media release, many constituents rang my office to advise me of other south-west roads that were in dire need of upgrading. They were all in the vicinity of the major traffic tourist routes of Caves Road from Yallingup to Margaret River and Harmans Mill Road in Metricup, as well as stretches of Bussell Highway and Waverley Road near Cowaramup. Also, Skippy Rock Road, Greenhill Road and Cosy Corner Road in Augusta need urgent remedial work—a further example of the WA state government’s failure to deliver on regional road infrastructure. These problems have also transpired in rail, as evidenced by the intermodal rail transfer at North Greenbushes, which has not been delivered.

This government has committed $20 billion over four years to the establishment and work program of Infrastructure Australia. I hope this is not a new bureaucratic layer which slows down investment approvals and embroils government jurisdictions in the business of selecting and prioritising projects. A robust national infrastructure planning arrangement is already in place through AusLink. It includes federal-state coordinated planning frameworks covering road and rail. AusLink 1 and 2 included $38 billion of infrastructure commitments over 10 years to 2013-14. The Council of Australian Governments agreed in June 2005 that each state and territory prepare an infrastructure assessment every five years. The first of these are com-
Complete. These reviews have been undertaken by state governments—are they therefore inadequate?

Infrastructure Australia should not become another talkfest offering more studies, bureaucracy and reviews, and far less bitumen, concrete and steel—what is really needed in the southwest of Western Australia. Infrastructure Australia is not able to undertake investigations on its own initiative. As Labor has said, all its election promises will be implemented. Infrastructure Australia will be unable to independently consider ALP infrastructure election promises. The Minister for Infrastructure, Transport, Regional Development and Local Government may also give direction to the Infrastructure Coordinator without taking advice from Infrastructure Australia. Infrastructure Australia may have the potential to deliver benefits, particularly with respect to more harmonised regulation such as developing nationally consistent guidelines and principles for the assessment of public-private partnerships and standardised documents for tendering processes. The idea seems to be to develop one set of guidelines to replace those that each state and the Commonwealth have developed. More generally, and given that a goal of the Rudd government is to reduce business regulation, one would expect to see advice from Infrastructure Australia as to how regulation, as it affects infrastructure, might be reduced or rationalised.

What is unclear is what relationship there will be between Infrastructure Australia and the regulatory bodies, such as the Australian Energy Regulator, the Australian Energy Market Commission and state bodies such as the Essential Services Commission of South Australia. Also unclear is what type of relationship there will be between Infrastructure Australia and other Commonwealth government agencies such as Treasury, which play a role in developing policy that affects infrastructure. It seems that there is a potential for duplication and overlap.

Other questions arise as to how Infrastructure Australia will perform its functions. The purpose of the audit of infrastructure projects is to determine the adequacy of infrastructure, taking account of forecast growth. As the National Commission of Audit pointed out, a proper assessment of the adequacy and condition of existing infrastructure can only be made on a case-by-case basis. As it is, state government agencies, government trading enterprises and private sector companies are involved in identifying infrastructure needs and in assessing projects. Presumably, Infrastructure Australia will not conduct its own audit—it’s resources seem to be small for that—and it will have to draw on those bodies’ assessments of adequacy and projected demand. A risk with such an approach would be that the states have an incentive to overstate their investment needs.

One of Infrastructure Australia’s functions is to establish infrastructure priority lists to create a pipeline of projects. Presumably, Infrastructure Australia will develop criteria with which to rank projects, and this raises the question of what criteria Infrastructure Australia will actually employ. In particular, will the criteria include cost-benefit analyses—that is, analyses of the benefits and costs to society of undertaking investment projects, particularly in the regions, which is a widely used device to rank projects? Further, will Infrastructure Australia insist that all projects be subject to cost-benefit analyses?

Even if Infrastructure Australia decides that a project has high priority, there is no guarantee that it will proceed. Whether a project proceeds may depend on the outcome of deliberations of regulatory bodies as to rates of return and prices. Therefore, undertaking projects on the basis of priority could result in some states and areas losing out to others, something that
is particularly important to me in regional Australia. States whose populations are growing rapidly and whose infrastructure needs are also growing rapidly would presumably be the prime beneficiaries. This could also lead to tensions between the states.

In conclusion, I support the motion that the opposition will move for technical amendments to this bill to lift restrictions upon Infrastructure Australia to undertake reviews of its own volition; to make the minister’s power to give new functions to Infrastructure Australia subject to parliamentary disallowance; and to ensure that the minister seeks advice from Infrastructure Australia before appointing the Infrastructure Coordinator. I commend to the chamber the amendments to this bill which the opposition will move.

Mr COMBET (Charlton—Parliamentary Secretary for Defence Procurement) (10.39 am)—I am proud to speak on the next instalment of Labor’s nation-building agenda: the establishment of Infrastructure Australia. Labor is the party of nation building. From the establishment of the Commonwealth Bank and the Snowy Mountains Hydro-Electric Scheme to the urban development of the western suburbs of Sydney and Melbourne, Labor governments have built this country, and this tradition will continue with the Rudd Labor government. In this vein, Labor committed to establishing Infrastructure Australia within 100 days of forming government, and I am proud to see this promise honoured.

Infrastructure Australia will take a nationally coordinated approach to tackling infrastructure bottlenecks and will drive investment into fuelling the nation’s productive capacity. There is a critical need for this after 11 years of economic neglect by the former Howard government. The 11 years of neglect is inexcusable given that, since the December quarter of 1998, we have seen the terms of trade improve in Australia by nearly 60 per cent. The resources boom has kept export prices high at the same time as the prices of goods and services we import have remained relatively stable. This has provided a surge in government revenue to the point where the budget surplus over the next four years is projected under the MYEFO for 2007-08 to be $62 billion.

We have a once-in-a-generation opportunity to save and invest wisely, to conduct our fiscal strategy conservatively and carefully, to sustain the nation’s prosperity and improve the productive capacity of the Australian economy. Instead, under the former government, we saw essentially lazy economic policy. Instead of investing in the productive capacity of the nation, relieving the bottlenecks in the expansion of our exports and resourcing the education and skills system, the previous federal government delivered regional rorts and poorly targeted tax cuts. The result is a surge of inflationary pressure that is the greatest danger to the Australian economy.

We are now facing a great challenge, with the highest underlying inflation rate in 16 years. The most vulnerable in society are the ones that will mostly bear the brunt of this inflation damage because they have the least capacity to improve their income to cope with rising prices. Unless we can address the underlying drivers of inflation we will face even more serious constraints on future growth and competitiveness at tremendous cost to Australian living standards. That is why fighting inflation is a key economic priority for the Rudd Labor government.

The fact is that demand has been rising faster than supply. There are two essential ways to rectify this. One is to increase inputs, capital and labour so that output will approximate demand. The second is to seek to increase productivity. On that point, productivity growth
stalled to around nil in the December quarter of 2007. We must improve that performance. On the former issue, trying to ensure that the capacity constraints are overcome or tackled, this government is committed to increasing the supply of capital and labour. For example, the government has announced an extra 5,000 places for permanent skilled migrants, and this, of course, will increase the supply in the labour market.

The equally important method of combating inflation, as I said, is to lift our productivity growth rate. Unfortunately, the previous government failed on this challenge. According to the OECD Economic Outlook, Australia’s labour productivity growth this decade is almost 40 per cent below the average productivity growth for all OECD countries. In the previous decade, from 1991 to 1999, Australia’s productivity growth was almost 50 per cent above the OECD average. As I said before, the latest ABS data shows productivity growth fell to zero in the year to December 2007. A major reason for that worrying slump is that over the last 11 years the government not only underinvested in education and skill development; it also did not lead the issue of investment in infrastructure.

Developing additional economic, social and innovation infrastructure is essential to improve the performance of the economy and our quality of life. It will relieve capacity constraints, increase productivity and put downward pressure on inflation. We are seeing the impact of infrastructure bottlenecks, whether it is clogged ports preventing resource exports or congested roads preventing efficient transportation of goods and services. The arteries of the national economy are clogged and we are taking the strain. Conversely, infrastructure development can play a pivotal role in the economic growth of a nation. However, we should not underestimate the quantum of the infrastructure challenge that the country faces.

Infrastructure Australia, established under the Infrastructure Australia Bill 2008, will be required to audit the adequacy of the nation’s infrastructure, which is a vital task. Australia is ranked 20th out of 25 OECD countries for its spending on public infrastructure as a proportion of GDP—a performance that needs to be improved. According to the Business Council of Australia, the total infrastructure deficit is more than $100 billion and, if we fixed the current bottlenecks, we could boost our economy by $20 billion per year.

According to another study, which was undertaken by the Australian Council of Infrastructure Development and Econtech, just to clear the backlog of underinvestment in electricity, gas, road, rail and water would require just under $25 billion worth of investment. Econtech further argues that clearing that backlog would result in a long-term increase in GDP of nearly one per cent and nearly a two per cent increase in exports, which of course would play a vital role in attacking the trade deficit the country is experiencing.

Infrastructure Australia will develop an infrastructure priority list based on the audit to be considered by COAG. This is essential if we are to set about fixing this problem. The second part of the commitment is also important to note. The priority list will be considered by COAG. It would be wonderful if we had greater federal-state cooperation in this important area of economic activity. With a break from past approaches, Infrastructure Australia will also involve the private sector, which is critical. It is critical if we are to improve the productive capacity of the country. Governments cannot take decisions in isolation and, in a period of declining direct investment in infrastructure and a very tight labour market, it is vital that we develop a cooperative approach with the private sector. This does not mean using government infrastructure grants to advance a narrow ideological agenda, as the previous govern-
ment did by making its AusLink funding contingent on its companies using Work Choices legislation.

Related to the public-private sector cooperation I am referring to is Infrastructure Australia’s task of looking at the financing of infrastructure and how best to attract private capital while guaranteeing maximum value for money for taxpayers. As a former board member of the second-largest superannuation fund in Australia, with $30 billion under management, I can tell you that investors have a great interest in infrastructure projects where this can be shown to produce reasonable and stable returns to fund members. However, at the moment trustees of super funds have insufficient opportunities for such investment and this has necessitated greater investment than many funds would like in Australian and overseas equities. There is a great need for a national leadership to identify project-funding models, including the efficient use of public-private partnerships with federal-state coordination. It is to be expected that Infrastructure Australia will fill this role—and it is sorely needed.

I am pleased that Infrastructure Australia will develop nationally consistent guidelines for public-private partnerships. These will ensure that maximum value for money is achieved and that there is greater transparency and greater public accountability. It is fair to say that, in the past, some PPPs have enabled excessive fees to be included in the project structures, and there is a clear need for better guidelines and the development of further competition in the private sector to strip away unwarranted fees being generated from such projects. Part of the guidelines will be the development of a strong public sector comparator that can be applied to all potential PPP projects. This will help guarantee that value for money is maximised. The public sector comparator details the most efficient public sector delivery option that can be achieved for the relevant project and will be used as a benchmark against PPP options. All these projects involve the expenditure of taxpayer’s money, and our first duty is to ensure that none of it is wasted. The public sector comparator will be an important part of this effort.

Another vital role of Infrastructure Australia will be to provide advice on infrastructure policy issues arising from climate change. We have moved from a government that did not even believe in climate change to a government that recognises that almost every policy area will have to include serious consideration of the impact of climate change. Reducing congestion and improving the efficiency of transport networks will play an important part in the abatement of greenhouse gases and improve urban amenity.

The question for this place is whether Australia is to take the high road to securing Australia’s economic future or the low road. The previous government chose the low road believing that the only way to compete was by driving down wages through Work Choices and by underinvesting in skills and education. By contrast, the current government is committed to the high road. We are committed to the education revolution, to rebuilding the skills base, to innovation policy and to fighting inflation, so in the future our children will compete with the rest of the world on the basis of their skills, ideas and inventiveness—and that is an important goal to achieve.

Establishing a cohesive, coordinated approach to infrastructure investment is vital in this strategy. In cooperation with the state governments, the Rudd Labor government will ensure that there are competitive and efficient national infrastructure markets. It will set clear investment priorities and put in place appropriate regulatory environments. Infrastructure Aus-
tralia will ensure that infrastructure investment will add to the economy’s productive capacity, and that is an important goal to achieve.

Mr COULTON (Parkes) (10.50 am)—The Infrastructure Australia Bill 2008 will see the creation of Infrastructure Australia, an advisory body created with the specific purpose of considering Australia’s infrastructure requirements. I rise to support this bill; however, I wish to put on the record my support for the technical amendments made by my colleague the member for Wide Bay. These amendments will ensure that the Infrastructure Australia body works more efficiently. Strong infrastructure is a key component of future growth in regional Australia and in my electorate of Parkes, in western New South Wales.

Infrastructure is possibly the link that binds together all the issues in my electorate. Possibly the most pressing infrastructure requirement in my electorate is roads. The previous government went a long way to addressing these problems with the Roads to Recovery program and the creation of AusLink, but there is still a large roads problem in my electorate. It is important to remember that nearly every item that finds its way onto a supermarket shelf in every town or city in Australia starts its journey on a local road. In my electorate people run multimillion-dollar businesses and as little as 10 millilitres of rain can mean that they cannot get their produce to market.

In the past, we have used vehicle movements to assess the funding for roads. Maybe there has been a political imperative to link communities together but, with local roads, quite often the value of the production of an area is not taken into account. In respect of agriculture, we are moving from large bulk products that have a long shelf life into horticulture and intensive agriculture. This makes it more imperative to get to market on time. In order to grow production and to move into these more intensive industries we need not only more efficient use of resources such as water but also a more reliable road network.

Quite often the most productive land has the worst base for road building, so we have the double problem of high production and a lack of suitable road base. This can be expensive, and it is a difficult situation to overcome. These roads also restrict people from finding suitable employees to operate in these areas. Understandably, it is a great disincentive to move to a place where you cannot get your children to school on a regular basis or you cannot access emergency health services when you require them. I would like to propose that as a parliament we look at the productivity of an area when we are assessing our funding needs, particularly in relation to local roads.

The other issue is rail. Rail is very much at the moment in the minds of people in my electorate and in regional Australia. The potential for a very large wheat crop is looming this year. We have had excellent rains right across north-west New South Wales and across the black soil country that my electorate is renowned for. It will take very few rainfall events to ensure a big crop. The proposed removal of services by Pacific National in the grain freight market is a worrying issue for the grain farmers in my area. If you add that to the issue of deregulation of the wheat market, which has been proposed by the new government, the uncertainty amongst wheat growers in my electorate is most intense.

The other issue is inland rail. I was quite distressed to hear the announcement just after the election that $65 million was being pulled from the scoping study on inland rail and that it is going to be delayed for a couple of years. Inland rail is a multifaceted piece of infrastructure. Its primary purpose would be to move freight in a 22- to 23-hour time frame from Melbourne.
to Brisbane and vice versa. In the areas that it would dissect—and it would go right through the middle of my electorate—the potential to grow industry would be enhanced quite a lot. Inland Australia has been looking for a major infrastructure project such as this not only for quick access to ports with produce but also as a major key in community building. My electorate covers some of the most progressive and productive towns in rural Australia, including towns such as Dubbo, Gunnedah, Narrabri, Moree and Mudgee. Those towns would all benefit from having a high-speed rail line going through the area. It would put my electorate at the crossroads of transport in regional Australia. As the country comes to grips with the effects of climate change, rail could play a major part. It is important to understand that one double-stack container train would take 176 B-double semitrailers off the roads and would save something like 4,000 tonnes of greenhouse gas per trip. We need to seriously take into account the effect that that would have.

Spending on water infrastructure is also important. The previous government’s National Water Initiative allocated $10 billion to water and 60 per cent of that was to be spent on improving infrastructure. I would urge the government to seriously look at that. Water is one of our great natural resources and we need to value every drop. I spoke about the potential for high-value horticultural crops and manufacturing. That goes hand in hand with the introduction of inland rail. We need to be very wary of how we use our water resources. It is a major concern that far too much water is being lost through seepage and evaporation in irrigation channels. Spending money on infrastructure here would be a practical measure and savings could be made straightaway. The reworking of some of our older irrigation systems and channels is a solid proposal and I think it should be looked at. Another major infrastructure project that would be of major benefit in the Murray Darling Basin is the reworking of the Menindee Lakes. A massive amount of water is lost now to evaporation and we should look at deepening and re-engineering the Menindee Lakes sooner rather than later.

The other infrastructure we need to look at is health. In regional and rural Australia some of our health infrastructure is reaching the end of its use-by date. In the largest centre in my electorate, Dubbo, the New South Wales government are really struggling to maintain their services through the Dubbo Base Hospital. Dubbo Base Hospital services a population of approximately 200,000 people; most of western New South Wales is serviced through the Dubbo Base Hospital. It basically needs to be pulled down and replaced. The New South Wales government would need to look at the health infrastructure right throughout my electorate and indeed regional Australia.

The other piece of health infrastructure that I can see as looming with great importance is that, with the changing face of health professionals in Australia and more and more younger, particularly female, doctors coming into the system now, the idea of a doctor buying a practice and staying there for 20 or 30 years seems to be a thing of the past. Out of interest, my daughter is at the moment a fifth-year medical student. Most of her friends are female and most of them will work in regional Australia. But they possibly will not have the ability to purchase a large medical centre.

Under the previous government, through the Rural Medical Infrastructure Fund, in my local area the Gwydir Shire Council received a grant to go towards the construction of a walk-in, walk-out medical centre which at the moment is being built in the town of Warialda. This will provide facilities for doctors to work on a commission basis without having to outlay
large sums of money to purchase the practice. Hopefully it will encourage more younger health professionals to come to regional areas without the financial burdens placed upon them. This would also provide opportunity for ancillary health services, such as speech pathology, physiotherapy, and even, hopefully, dentistry. As we look at the changing face of health in Australia, the government needs to be one step ahead and provide the infrastructure that is necessary.

Another very exciting proposal in my electorate is the health centre in Gunnedah. As late as earlier this week I wrote to Minister Roxon regarding this proposal. It is an idea that would be a partnership within the local community, through the council, the local state government managed health service, all the local general practitioners in the town, and the University of Newcastle. Not only would it provide a one-stop shopping town for general practitioners, specialists coming through on a revolving basis and ancillary health; it would also be a facility for Newcastle university to have a structured training program for their young health students coming through. One of the problems with training health professionals in regional Australia is that our GPs are overstretched at the moment with their workload and there is no structured mechanism for training these students. As we look at our overall infrastructure spend, our spend on health infrastructure is something that needs to be looked at.

The other one is energy. With the world approaching peak oil—if we have not already reached that point—and the soaring cost of petroleum, we need to spend money now on energy and alternative energy infrastructure. In my electorate there are some exciting possibilities. There is an indication that the gas fields in the Pilliga forest, west of Narrabri, will be a large resource, and I think it is very important that, as quickly as possible, we put in place the pipelines and infrastructure needed to spread that right across the country, for a number of reasons. For example, in my area in the town of Mudgee there is an abattoir now sitting idle that I am sure would reopen if it could get a supply of reliable, clean energy in the form of natural gas. It would provide not only a valuable outlet for cattle in my electorate but also a great boost to employment in the Mudgee area and help to build the population of that town. Another reason is to do with alternative fuels and the possibilities they bring, particularly ethanol: a reliable source of energy such as natural gas is vital to make the production of ethanol a viable alternative. As we run short of petroleum, we really are going to need to look at that issue.

Another source is solar energy. The area of north-west New South Wales has been identified as one of the most favourable places in Australia to put a solar power station. The daylight and sunlight hours are very suitable for that. It is also not in a remote location, so it can easily be hooked into the grid. I know that in the town of Moree, in the northern part of my electorate, the local council is looking at a proposal to install a solar power station to run in conjunction with a desalination plant—not for the specific reason of generating more drinking water but because tourism is a large part of the Moree shire. They rely heavily on the spa baths there, and the half-a-dozen or so commercial spa bath enterprises in the town are having an issue with disposal of their waste water. So the Moree community is looking at the very innovative approach of using solar power to desalinate this spa water and returning it to the system or selling it as potable water, as well as selling the mineral salts removed, a by-product of this process, to be used as stockfeed et cetera.
In conclusion, I believe that the future of this country does involve promoting growth in regional Australia, and expenditure on infrastructure is probably the single most positive thing that the government can do to promote that growth. That is why I am speaking in support of this bill, and I hope that the new Labor government will put infrastructure spending in regional Australia at the top of its list of priorities.

Mr SHORTEN (Maribyrnong—Parliamentary Secretary for Disabilities and Children’s Services) (11.08 am)—It gives me great pleasure to speak in support of the Infrastructure Australia Bill 2008. I have been talking for many years about the vital importance of infrastructure, not just to the former members of my union, the Australian Workers Union, who built this infrastructure in so many parts of Australia, including regional and remote Australia, but also to business leaders and financiers involved in infrastructure projects. In my previous role I was involved in the EastLink project in Victoria, the largest road infrastructure in Australian history. It is worth $3.2 billion and I am pleased to say it is well ahead of schedule. I was involved in negotiating the industrial relations employment structure of the project. There has been enhanced productivity, with great wages and profitability for all concerned. As a result, this project will actually be delivered ahead of time, with, for a project of its size, an almost unprecedented safety record and a great degree of industrial harmony—all done pre Work Choices.

We all recognise that infrastructure is essential for economic growth. I do not believe that, in Australia, financial capability is a problem. There is no shortage of money. Yet in too many areas in Australia we see backlogs and we see that state governments have been left to fix up a lot of the problems caused due to the absence of leadership by the previous federal government. To put it bluntly, we have had any number of years of growth, largely on the back of the commodities boom, but we have wasted a massive opportunity to put the building blocks in place for the next 15 years. It should never be forgotten that, if you look at the estimates from 2002-03 forward to 2010-11, the extra money which the federal government was projected to have was to come to $457 billion. Yet, when we look around at the infrastructure bottlenecks, we look at the armada of bulk commodity carriers blockading Australia’s coal and commodity ports, we see massive neglect. In fact, $435 billion of that $457 billion was given away by the previous federal government.

It is time for a more strategic and long-term approach. We have shied away from a strategy for the development of Australia. We see blockages in how we fund projects. We have disputes and regulatory uncertainty which have to be dealt with. We often have a disconnect between what a regulator will view as a fair return, and on what cost basis, and what returns we need to give investors the incentive to invest in projects. Certainly the pricing of infrastructure in Australia is complex, but fortunately we have this bill, which will start the process of providing certainty for investors and Australians generally.

We need an overhaul of our federal-state relations, helping to define each level’s responsibilities. This proposed legislation, in conjunction with the new government’s approach on federal-state relations, will help to at least put some real teeth into the development of Australia’s infrastructure. The public want quick fixes, and that is understandable. Quite often we see that local activists can be more powerful than perhaps the large strategic direction. Without the sort of legislation we see in front of us, we face the risk that Australian investment money will go overseas to where the return is and where the opportunity is. In the competition...
for global capital, if we do not start focusing nationally on a strategic direction for our infrastructure, we will lose capital and we will lose the global race to nations with strategic priorities and good execution.

When we look at the serious bottlenecks, particularly in transport, water and broadband, we realise the nation’s capacity is being held back. To create economic growth we need to invest in infrastructure. Not only does infrastructure enhance economic growth; what we will do by improving infrastructure, particularly transport and energy infrastructure, is reduce the cost of doing business. Reducing infrastructure bottlenecks will help to try and re-cork the not so affectionately named ‘Liberal inflation genie’ which was released from the bottle by the previous government.

Developing our infrastructure will help us to capture export growth opportunities. For example, improving the rail links to major iron ore and local ports in the northern part of Western Australia and in New South Wales and Queensland will help capture opportunities to meet the high level of demand from China and India for our resources. As a young union official flying around the country, talking to workers in all of the energy producing and primary producing areas of Australia, it was a source of some national shame to see all these ships tied up offshore when in fact, if we had had national strategic leadership on this question, we could have been capitalising even further on the remarkable minerals boom globally.

We need leadership in infrastructure. That is what this legislation provides. I believe that politics in Australia needs to understand that there is a bigger risk of underreacting to infrastructure than there is of overreacting. Leadership is what this bill will provide—leadership that has long been on holiday in this nation. It will come as no surprise that it is a Labor government that is putting forward this bill, because Labor has always been the party of nation building, the party of the future, not the party of the past. Labor has always had long-term vision. Without long-term vision it is impossible to build the infrastructure this nation needs.

Early last year we celebrated the 75th anniversary of the building of the Sydney Harbour Bridge, a remarkable accomplishment. Look at the pictures of the Sydney Harbour Bridge when it was first opened. When it was planned and built in the early part of last century, when horses were still common in the streets of Sydney and cars were the province of the wealthy and the lucky, someone decided to build a bridge with eight car lanes. Who on earth, these days, is thinking about building roads which will cover our future needs as opposed to just our immediate needs? I think that that is the sort of planning for the future which we need to re-capture.

Mr Windsor—Build a new bridge!

Mr SHORTEN—I am not saying we need a Harbour Bridge everywhere, but certainly over the water. I do believe that Labor have that kind of vision where we are concerned not just about the next election or the opinion polls but about leaving a legacy which carries on after we have departed. The proof of this is that as early as May 2005 Labor announced that we would establish Infrastructure Australia. In August 2007 our Prime Minister, Kevin Rudd—who was Leader of the Opposition then—reiterated that pledge. Kevin Rudd, our leader, said that Infrastructure Australia would deal with policy and regulatory issues, audit the adequacy of the nation’s infrastructure, identify weaknesses, prioritise projects, evaluate the business case of projects and financing options and manage the probity process.
The bill we are speaking to today has been years in the planning. The member for Cook has said that the Prime Minister is a new ‘father of federation’; it is certainly not a mantle that one would bestow on the most recent previous occupant of the prime ministership. Members of the opposition might not be aware that once upon a time we used to extol the virtues of nation building. It used to be something that our national government did as a matter of course. But for the last 11 years, regrettably, this nation’s national leadership has been asleep in some sort of infrastructure coma, from which Labor has had to awaken the nation.

Back in 2003 the Allen Consulting Group prepared a report for the Property Council of Australia about financing urban public infrastructure. They pointed to compelling evidence linking investment in public infrastructure with productivity growth and economic prosperity.

Mr Danby—You will not hear this from Warren Truss.

Mr SHORTEN—We will come to the National Party in a moment, Member for Melbourne Ports. The report argued that, in addition to underpinning economic performance, public infrastructure also features in the social and environmental capital that binds our communities and makes them livable. Two years later, in 2005, that notorious ‘left-wing’ organisation the Business Council of Australia called for urgent action on Australia’s infrastructure problems, warning that the problem of infrastructure blockages was the single greatest barrier to our future prosperity. Unfortunately, whilst the message was put in the bottle, no-one in the government ever collected the message on infrastructure from the beach.

There has been no coherent nationwide planning, coordination or strategy in respect of this nation’s national infrastructure needs. What we inherited from the last government—other than high inflation, foreign debt and slip-sliding productivity—is costly bottlenecks in our export and supply chains. Unfortunately, many of our industries still have to rely on inefficient and outdated infrastructure. And let us not forget education infrastructure. That has been forgotten for too long—for the last 11 years, under the last government.

While Labor has a long-term vision, the previous government lived in a mendicant-surplus state from budget to budget, election year after election year, spreading its largesse in the most short-term of conclusions. Last year’s budget was a typical example of this mendicant tax banditry of the previous government. It was an election year budget that once again was long on short-term largesse but short on long-term ideas about the challenges facing the nation.

Mr Windsor interjecting—

Mr SHORTEN—The member for New England again correctly identifies the failures of the previous government in infrastructure. The 2007 federal budget showed more than anything that the Howard government continued its failure to wisely invest the proceeds of the sustained economic growth brought on by the minerals boom. Parking large amounts of money in the Future Fund and not-so-large amounts of money in endowment funds, with virtually no detail of how it would be spent, is not planning for the future, especially when you actually ban your Future Fund from investing in infrastructure. If I were feeling polite—which I am—I would just say that this is fiscally sloppy. If I were feeling slightly more adventurous, I would look for the collective noun for a group of pork-barrels—maybe it is a piggery.

Mr Danby—Maybe it is a National Party!
Mr SHORTEN—Words fail me. When you cannot call a clear strategy or pathway from the opposition, do not be concerned that it is a temporary state of affairs. In government, the opposition certainly was not demonstrating any sort of foresight about how this country might look in 10, 20 and 30 years time. That was just never on the radar of the previous government.

What we saw for 11 years was the failure of the Howard government to invest in infrastructure. They sold more than they built. Thank goodness for the nation their reign has come to an end. We in the Labor government, given the trust of the Australian people, have inherited the consequences of these long years of mendicant investment in Australia’s infrastructure. Infrastructure Partnerships Australia—again, not another left-wing think tank—has estimated that there was a $25 billion underinvestment at the national level in pretty much everything from roads to sewage—everything from the letter A to the letter Z. That has been costing us around $6.4 billion each year in lost production.

The Reserve Bank of Australia has said over and over again—20 times in the last three years—that capacity constraints are constraining our exports and economic growth. In fact, Rupert Murdoch—not a notorious Fabian—kindly pointed out to us last year that the broadband services in this country were a disgrace. Australia has one of the worst telecommunications infrastructures in the Western world, and it has been left to our own minister for telecommunications, Senator the Hon. Stephen Conroy, to fix these problems. It has taken a while, and the release of a great Labor policy, for the former government to discover broadband, even though they went for an inferior option. They have been short-sighted.

I think Reg Ansett, talking about the 727s that he brought back from the United States in the late 1960s, spelled out the sorts of aspirations and dreams that we should have for our infrastructure. He said about these planes he purchased in the late 1960s:

They are the best technology (or planes) in the world so they are just good enough for Australia.

Reg Ansett understood that we should be ambitious for the best infrastructure in the world. We need the best in the world in order for Australia to be competitive and to drive growth and productivity. We are a small nation of 21 million people on the edge of the fastest growing economic miracle in the world—Asia—but the rest of the world does not owe us a living. We have to make our own future. Indeed, this bill is the start of the process of having a national voice and direction in terms of infrastructure. The new Labor government understands the need for Australia to have the best.

The reception of this bill outside of this place speaks volumes for the wisdom of this legislation. The chairman of Infrastructure Partnerships Australia, Mark Birrell, formerly Liberal leader in the Victorian upper house, in January this year hailed the creation of Infrastructure Australia. I must acknowledge that I have not always quoted what he said with approval in previous debates but in this one we are of one voice. He said:

The creation of Infrastructure Australia is the most important reform this sector has ever seen when it comes to having much-needed national leadership to meet Australia’s critical infrastructure needs.

Mark Birrell also applauded Labor’s inclusive approach. He said:

The Government’s infrastructure plan had been well communicated to construction and finance companies over the last year and there has been a detailed dialogue between business and the Government on how to deliver Australia’s next round of infrastructure.
Mitch Young, from Lighthouse Infrastructure, has called the plan ‘logical, necessary and politically courageous’. Engineers Australia called it a ‘long needed link to form a true partnership between the three spheres of government, business and the community’.

I served on the board of the second-largest superannuation fund in Australia—AustralianSuper—for 10 years and I know that the superannuation industry is excited about the prospect of investing in this nation’s infrastructure. Currently just 3.1 per cent of superannuation funds are directed at infrastructure but little of this, tragically, is spent in Australia because under the previous government there was no big picture to invest in. Sid Bone, CEO of a fund that I was formerly a director of, the Victorian Funds Management Corporation, says that he would like to invest in more Australian projects. We just need the opportunity.

This bill is an important part of our fight to try and recork the Liberal genie of inflation, carelessly and recklessly released over the last number of years. I believe this is a fiscally responsible bill; I believe it is a visionary bill. It is going to be good for the workers who build the great infrastructure projects of Australia. It is good for business, it is good for the economy and it is good for the future of our nation. It is good at last to see a Commonwealth government re-assuming its true leadership role in infrastructure. For me, this bill and all the discussion on infrastructure drill down to capacity building—to building Australian capacity for this 21st century.

When I think about capacity building, I think of physical infrastructure, of people, of generating ideas and innovation, of dealing with the current rigidity between the three levels of government, of education and skills, of public transport and health, and of reforming the regulatory frameworks, which should be a source of innovation and competition, not a dead hand to resist development. But when I think about this bill and about capacity building, I think about the encouragement of private investment. The private sector is the doing arm of the Australian economy, but what it needs is regulatory certainty, the reward of encouraging competition and long-term thinking. I understand that change not only comes from within this place; it also comes from outside this place. But, with this infrastructure bill, I think we are seeing politics catching up to where the community and business already are.

Mr WINDSOR (New England) (11.25 am)—I listened to the previous speaker with some degree of interest. Some of the phrases we have heard before in terms of infrastructure, and I just hope that the leadership that Mr Shorten spoke of is actually demonstrated in this particular and very important area.

Mr Danby—You mean the member for Maribyrnong.

Mr WINDSOR—Sorry, yes, I could not think of it. I think the government will be judged on this particular issue more so than on many of the other issues that are out there in the public arena. And they will be judged for a number of reasons. Obviously infrastructure is very important and has been overlooked on a number of occasions. There has been a lot of debate and words articulated in this place on this. I will be supporting the Infrastructure Australia Bill 2008. I think the concept is a good idea and I do not think there is any doubt about it, but there will be judgement about the way in which it is carried through.

I will give one indication of where I feel governments have let infrastructure down in the past, and I would not like to see the current government repeat those mistakes. It revolves around the issue of fuel taxation. In this country we pay, depending on where we live, some-
thing like 50c, 51c or 52c a litre tax—38c of that is fuel excise and the balance is GST. The fuel excise is an impost on our community. We should remember why that was put in place—I think it was Malcolm Fraser who put it in place. It was put in place to address potential fuel shocks; we really needed to price our fuel so that when the fuel shock came along it was not such a great jump in terms of the economy. Then it developed into a system of paying for our roads. There was the road maintenance tax. Now it has evolved into an area of revenue which is anti-infrastrucure, in a sense.

There is $14 billion raised through fuel excise—not through the GST, just the excise itself. About $2 billion of that can be tracked back to any form of road or rail maintenance—and you might get the odd bus shelter in eastern Sydney or something like that. About $2 billion, or one-seventh, of those funds being collected is actually going into some form of infrastructure. There is a whole range of mixed messages out there and I think one thing the government does need to do is to clarify some of these signals. Is fuel taxation there to raise revenue? Is it there to pay for infrastructure? Is it there to convert everybody’s V8 into a four-cylinder? Is it there to send a pricing signal to stop people using their vehicles or to reduce fuel? Some clarification is needed in that area. If it is there for infrastructure, there is a massive amount of money in an annual sense that could be used for infrastructure, rather than the nonsense we have seen in recent years and all the words we have heard, similar words to those we have heard today, and where very little is delivered in terms of actual bridge building and major infrastructure projects. In fact, the debate of recent years has been to sell some of those projects. The Snowy hydro is back in the news again. We hear the ferrets are in the building undermining the decision that was made by the previous Prime Minister—not the previous government. The Liberal Party, the National Party and the Labor Party, and Victoria and New South Wales all agreed that it should be sold.

That is where the community is having a difficulty with the so-called leadership in the infrastructure debate. Who is leading whom where? People would like to know that the public—the public purse, the taxpayer—has a role in relation to the provision of infrastructure that provides for the public good in the long run. Whether it be a railway line from Narrabri to Newcastle or an extra terminal to extract coal or grain, people need to know where the government sits in terms of the allocation of public moneys to public infrastructure—the bridge-building that the member for Maribyrnong quite rightly spoke about. They need to know it from this government, because they got mixed messages from the previous government. There are still those mixed messages out there and I think some of those mixed messages show up. If you look at the second reading speech of the Minister for Infrastructure, Transport, Regional Development and Local Government, there is the normal banter to start with and then he says:

Well-planned infrastructure is the arteries of a successful, modern economy and essential to: making our cities liveable and improving public health ...

What does ‘making our cities livable’ mean in terms of infrastructure? What it seems to mean at the moment—if you live anywhere near Sydney, for instance—is more roads, more freeways, more public-private partnerships and more money being expended on the development of a road system that continually chokes itself. What does that mean in terms of improving public health? It means poorer public health—more greenhouse gas, more pollution and more lung disorders in the Sydney basin—and a whole range of related health problems. Does the
bill make sure Infrastructure Australia delivers in terms of these things? Or are we going to find a reason for expending more money on more freeways, which are pathways to nowhere, instead of making our cities more livable and improving our public health? That is a question that the new minister has to address and answer. One of the answers—and I did not see any mention of it in the second reading speech, although there are a couple of words that refer to regional areas—may well be to change policy, rather than having a policy mix which draws people into these conglomerates that suffer from issues of livability and public health problems. One of the solutions may well be to develop real policy that encourages people to leave these areas, and I hope to see some of those sorts of initiatives.

The second point that the minister makes is: ‘bringing economic opportunities to regional and rural communities’. I do not want to criticise this government at the moment, but I have not seen any changes yet. The former government had a policy mix that, even though the rhetoric was out there encouraging rural and regional communities, perpetuated the population losses in regional and rural communities. The seat of Gwydir disappeared off the map because it had the greatest loss of population of any region in Australia. Tasmania used to be in front of it but has picked up in recent years. So the slippage occurs. With all the words for the last 10 or 12 years about how it was all going to happen with the new regional policies and the new regional this and regional that, the policy mix did not change it at all. The incentives were to go to Sydney or Melbourne, to go to the urbanised areas. I look forward to seeing some real policy on the ground that encourages opportunities in regional and rural communities.

Most renewable energy generation—solar, wind, geothermal, biofuels—would be located in the country. But we do not see, and have not seen in the past decade, a policy mix that really encourages that. We have this farcical circumstance where renewable energy targets—and Deputy Speaker Scott would remember this—were put in place in, I think, the year 2000 but there is actually less renewable energy now, eight years later in a 10-year arrangement, than there was when the targets were put in place. That is the breakdown between the verbal arguments we have in here and the practice out there. In fact, we have got this absurd situation where, if you are a biofuel producer in Australia at the moment, in 2011 you will be taxed. How does that send an incentive, when the minister is talking here about improving public health and creating opportunities in regional and rural areas? Where does the biofuel mix fit in? Why would you have a taxation regime that applies to something that is renewable? I thought we were trying to encourage that in this country. I just find those issues to be quite extraordinary. Hopefully, the new minister and the new government will remove those things.

It is quite obvious that there has been a breakdown in the system in the last decade in delivering products to markets. We have an absurd situation in New South Wales at the moment, which the previous Commonwealth government was involved in. A great vision for the future was proposed in here about how the Australian Rail Track Corporation was going to create a national rail system that would make things so much better in delivering products to our markets in New South Wales. The New South Wales ownership—I think it was called Freight-Corp at the time—was sold off, and the New South Wales Labor government was delighted to get rid of it because that meant it was in receipt of money. The Commonwealth saw this great network of connections as a great way of uniting the nation. Very little funding went into it;
very little happened. There is a little bit of infrastructure here and there—a little bit up the coast, for instance.

What is happening in New South Wales? Pacific National—and the member for Parkes would be fully aware of this—has recently said that it will not cart wheat anymore. What is the reaction of government? It is: ‘The Australian Rail Track Corporation is essentially a public company owned by a government, so we can’t interfere too much.’ New South Wales says: ‘That’s got nothing to do with us anymore. We got out of that a few years back.’ In my view, if infrastructure is a serious thing with the Commonwealth government it should be involved in the objective of delivering products to markets, because we are going to have a situation where potentially there will be one of the biggest wheat crops in New South Wales, occurring at a time of the highest international prices, and that product base may not be able to get to market. I think the Commonwealth has a role there. It played a role in Tasmania some years ago when the same company pulled out of transporting freight in Tasmania. The Commonwealth government came in with a package, and freight is back on rail in Tasmania—again, a mixed message. How serious are the government and this minister about delivering on some of these things? If they are serious, they have got to be involved.

There is the Murrurundi tunnel, for instance, in my electorate. There was a lot of hoo-ha in here about the inland freight railway line, which I might mention in a minute if I get time. In the Ernst & Young document that was put together, the $5 million survey—not the $15 million one, the other one that was done or the three or four others that have been gathering dust on this particular concept—identified freight movement across Australia as an issue. On the eastern side of Australia—Victoria, New South Wales and Queensland—220 million tonnes of freight go somewhere. Half of that total freight consignment, 110 million tonnes, goes through the Hunter Valley or the north-west, New England part of the state. Half of the total freight on the eastern seaboard is probably within 300 kilometres of Newcastle. The Murrurundi tunnel, an antiquated tunnel that was built for steam trains—a tunnel at the top of a hill, in a sense—will be a bottleneck once the port facilities are improved in Newcastle. I would have thought that infrastructure for half the freight on the eastern side of this country would be a key piece of infrastructure that would be worthy of the investment of a lot of money—maybe some of the fuel taxation money that is raised or maybe the new fund that is going to be set up. I would have thought that that would be a key piece of infrastructure. Instead, the debate has been on the inland rail.

I am not against the inland rail concept, and I would encourage people to have a look at what Everald Compton is going to be doing, because he is going to be investing his own money. He is sick of waiting for government and sick of the games that have been played. But if we examine the Ernst & Young report on the inland rail link we see that the freight between Melbourne and Brisbane that is going to bypass Sydney, because of the congestion and all those good reasons, is 3.75 million tonnes. All that talk and billions of dollars to be expended for 3.75 million tonnes. At the most, that equates to two trains a day going each way, to compete with a 24-hour truck service—and there is 110 million tonnes of freight in the Hunter Valley and the north-west, New England system.

The most expensive tunnel option is $280 million. There is no mention of that. There has been all this politicking about Melbourne and Brisbane and the trains not stopping anywhere except maybe to pick up a bit of wheat that could go north out of Moree. Remember all the

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politics in relation to that—a stake being driven into the river at Goondiwindi five or six years ago—and nothing happened. Now we have another inquiry, initiated by the previous government but being carried on. I congratulate Everald Compton and urge members to get behind him—and, Deputy Speaker Scott, I know you are aware of the project as well—because he is the only one who is doing anything. I would not hold my breath for any government in terms of the inland rail concept because everybody has said that it has to be private-sector friendly.

The minister went on to talk about reducing business costs. I have gone through that. One of our major costs in a country of this size is fuel, and we tax it. We have a whole range of other policies that actually send the wrong message. I should also have mentioned at the start that telecommunications is very important. I congratulate Senator Stephen Conroy for actually pulling the lever on a few of the things that have been allowed to go on. Telecommunications is the most important infrastructure this century because it removes distances—the great disadvantage of living in the country. It changes the economic equation. If you want to have a more livable life, improve public health, have some economic opportunities and deliver your product to market, if it is an IT product, you are far better off living in the country, and your kids will be better off as well.

People are starting to recognise that, but they will only recognise that if government has a role in a regulatory sense in making sure that there is equity of access to both quality and price of the product. There is no way that Telstra will do that unfettered. The sell-out by the National Party, the National Farmers Federation and those other corporate friendlies that masqueraded as representatives of country Australians will live on as one of the great disgraces of this place and one of the great cons in infrastructure. I urge Senator Conroy to maintain the rage about the conversion from CDMA to Next G and to look at the regulatory arrangements.

We have an absurd situation developing now. I use the example of Yetman. I know there are people in this room that know Yetman. Telstra Country Wide made it plain to them that they were not viable in terms of mobile services. I attended a meeting—a number of others were there—where it was articulated that if the community built the tower, provided electricity to the tower, provided a road to the tower and provided maintenance to the tower then Telstra Country Wide would place an antenna on top of it, and that community could have access to mobile services. Now Telstra are saying that that was two years ago and we now have to put in for funding and we have to put a plan in, moving away from the commitment that was given at that meeting. It is farcical. It is a demonstration of what happens when you remove government from the leadership role in terms of infrastructure. We are hearing all about this particular bill being part of the new leadership for infrastructure. I would urge all members to look at some of the issues I have spoken about. (Time expired)

Mr CLARE (Blaxland) (11.46 am)—I rise to support the Infrastructure Australia Bill 2008, which delivers on our election commitment to establish Infrastructure Australia. The first task of the new body will be to identify and implement projects based on the benefit they provide to Australia, not the benefit they provide to any one seat. Developing a blueprint will be the easy part; the hard part will be implementation. It will require real leadership and real commitment. It will require a real increase in the investment that we place in physical infrastructure: road and rail, port infrastructure, energy, water and communications. It will require us to make better use of the infrastructure that we have already got, to make it work more efficiently. And it will require an integrated approach, working with state and local govern-
ments, with the private sector and, most importantly, with the community. This is an important part of the government’s plans for the future.

The work of Infrastructure Australia will take time to have a real impact. Infrastructure takes time to build, but if we get it right it will have a lasting impact. It will provide real and tangible benefits, both for this generation and the ones that follow. The genesis of Infrastructure Australia was forged in the Labor tradition of nation-building—like Chifley and the Snowy scheme, Whitlam sewerling our major cities and towns, and Keating’s Better Cities Program. This government invokes the same commitment, the same Labor ethos, to meet the challenges of this century—projects like building the high-speed fibre-to-the-node broadband network and the $500 million Housing Affordability Fund to reduce the cost of developing new housing estates. Projects like these will make our cities more livable and more productive.

Good infrastructure often goes unnoticed. We notice it when it is not there or when it does not work. Good infrastructure is an important part of building a stronger and a fairer country. Good infrastructure helps the economy and improves the quality of life of the people who use it. As Christopher Brown, the Managing Director of TTF, wrote in the Sydney Morning Herald last year:

A young person denied the right to clean, safe and efficient transport links is the same person denied the right to education, recreation and participation in the workforce. An elderly person denied access to transport is the same person denied access to health services and quality of life. Urban transport is a social, as well as an economic, policy area.

That is why this bill and this body are so important. Good infrastructure is needed to help build a stronger, better and fairer Australia. It underpins our social policy agenda. It does this by providing equity and it does this by helping to tackle inflation. Inflation is now the highest it has been in 16 years. That is what we inherited: the highest inflation in 16 years, the second-highest inflation rate in the developed world. This is a complex problem that requires a number of responses. One is investment in the infrastructure needed to improve business productivity, infrastructure that makes business more efficient.

That means investing in our cities. Australia is one of the most urbanised countries in the world: 70 per cent of Australians live in our major cities. Our eight capital cities contribute about 78 per cent of the nation’s economic growth. They are the engine room of our economy. Connecting people and places is good for our economy, whether that is on the road, on a train or in cyberspace. Unclogging our roads and our rail lines is good for the economy. Time lost has an opportunity cost: time when we could be with family, at school, at work or at another job; time when freight could be on the shelves, not sitting on the dock, on a ship or on the road. Congestion on our roads already costs us $16 billion a year, or two per cent of GDP. The Business Council of Australia predicts this figure will climb to $30 billion by 2020. That is $30 billion of wasted time.

The former government took a narrow view of their infrastructure responsibilities. They said their responsibility was to manage the economy, and that principally meant moving freight. I contend that that is a myopic approach. Making cities work, making the country work, making the economy work means moving freight, but it also means moving people. It means tackling congestion in all its forms. The minister for infrastructure made this point when he addressed the National Press Club in February. He said:

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… a policy for moving goods will not work without a policy for moving people. It is motorists in their cars much more than truckies in their cabs that are clogging our cities. The more efficient our transport network is, the more productive our economy will be. So here lies the challenge: encouraging growth and productivity by building additional capacity into our road, bus and rail networks, and providing real incentives for commuters to shift to public transport.

A good example of this challenge is the passenger and freight growth that is occurring around Sydney airport and Port Botany in Sydney. Together they contribute tens of billions of dollars to our economy and they employ more than 100,000 people. In the next decade or so, they are predicted to expand dramatically. Passenger movements at the airport are expected to expand from the current 28 million movements per year up to 60 million, and the number of containers at the port is expected to expand from 1.5 million per annum to three million. Making Sydney work means making this port precinct work. It is critical that surrounding and connecting infrastructure can support this growth, and that is why a dedicated freight line supported by a constellation of intermodal terminals is essential. But the existing congestion around this corridor, around this precinct, means we also need to increase the capacity of the road network. This means either duplicating the congested M5 East or a link to the port through a future M4 East.

Infrastructure problems are not limited to our transport network. Our broadband network is also in desperate need of investment. It is a decade behind other developed countries. There is no prize for coming 25th in the world, behind countries like Poland, Hungary and Slovenia. That is why we are building a high-speed broadband network with speeds up to 100 times faster than those available in most homes. It is one of the most important things we can do to make us more competitive, to make the economy more productive.

The national infrastructure audit is an important first step. It will help ensure we invest in projects that deliver the maximum benefit and build for current and future demand. It will ensure we match dollars with real priorities and establish a timetable for delivery. The hard part, as I said earlier, is delivery. Infrastructure Australia, like all good initiatives, will be judged not by its purpose but by the outcomes it produces.

The task is enormous. ABN Amro estimates that the total infrastructure spend across the country over the next decade could reach $400 billion. It will require the government to fund many of these projects, but the sheer scale of the task means we also need to engage the skills and the resources of the private sector. If that is left untapped, many projects will be unnecessarily delayed, the problems will grow and these funds will drift overseas.

Australian superannuation funds already have plenty to invest—$1.4 trillion. It is the fourth largest funds management industry in the world and it is expected to swell to $2 trillion by 2020. Infrastructure is the perfect fit for super funds looking for long-term investments with stable returns. If we do not use these funds to build infrastructure, other countries will. That would be a real and inexcusable tragedy. Our super funds are already investing in overseas infrastructure projects—fair enough—but I would rather have Australia get the benefit of these funds than somewhere else.

I welcome the minister’s announcement that nationally consistent guidelines for PPPs will be finalised by the end of the year, at the same time as the national audit. It is important that
these guidelines encourage competition and increased transparency, that they emphasise the importance not just of the construction phase of an asset but of its long-term operations and that they enshrine sustainability and good corporate citizenship—for example, customer service standards.

We also need to invest in projects that not only deliver the maximum productivity return but also encourage a bit of innovative thinking. Big projects take time to build and to have an impact. We can have an immediate impact by making better use of existing infrastructure. Imagine the impact we would have on productivity and people’s lives if we could reduce congestion on our roads and on our rail network immediately by encouraging commuters to use the road and rail networks outside busy periods. There are a number of possible ways to do this: peak and off-peak pricing and changes to working hours are just two.

I note with interest that the Victorian government has just commenced a campaign called ‘Flex in the City’, which encourages employers to allow their employees to start and finish outside traditional peak hours. Employers who sign up to the program allow staff to start work at 7 am and finish early or to start work at 10 am and finish at 6 pm. Flexible working hours can improve the ways that cities work and make them more livable. As KPMG demographer Bernard Salt said:

The problem is, everyone’s trying to get to work for a 9am start … If that can be mitigated or spread across a 7-10am start, then it has the effect of spreading the load in a wider area and making the journey to work more bearable for everyone concerned.

Last week the Victorian government announced that it was expanding its trial of free travel before 7 am to the entire rail network. I look forward to seeing the results of the trial. Another way to tackle this problem could be to adjust retail trading hours. If retail stores across a metropolitan area opened at 10 am instead of 9 am many workers and shoppers would travel outside the existing peak and travel later in the day, potentially reducing congestion on our road and rail network. I think it is an idea worthy of investigation.

For the last decade national leadership on infrastructure has been lacking, and that is what this bill addresses. It brings the work of nation building to the COAG table. We need to work together in partnership. The biggest issues in this country can only be solved by us working together. That is what the people of Australia expect. They do not want bickering; they just want things fixed. They want goods on the shelf, they want to get to work on time and they want power and information at their fingertips. That is what they pay us for—to make these things possible. This is the purpose of Infrastructure Australia: to build a new nation; to build on our proud record of nation building; to build a stronger economy and a stronger country; and to build the infrastructure we need today and tomorrow. For these reasons, I commend the bill to the chamber.

Mr NEUMANN (Blair) (11.58 am)—I speak in support of the Infrastructure Australia Bill 2008. This bill is an important part of Labor’s election commitment to the people of Australia, fulfilled within 100 days of coming to office. A nationwide coordinated approach to infrastructure is crucially important to the improvement of Australia’s economic development. We face the economic challenges of rising inflation, rising interest rates and falling productivity. In such a difficult economic climate we need a clear and open mechanism to evaluate the work of infrastructure projects and to examine those investment opportunities which best add value to productivity and performance. Infrastructure Australia will have responsibility for
creating a road map for Australia’s infrastructure needs presently and into the future. Infrastructure Australia will coordinate and cooperate with state and local governments to identify those projects which enhance national productivity and economic performance and which create jobs, wealth and opportunity.

We need an audit of Australia’s infrastructure needs and an infrastructure priority list within 12 months for COAG. We need regular audits to ascertain the state of infrastructure and where it will assist growth. Those reports need to go to COAG so that nationally significant infrastructure projects can be monitored and developed. We need a national approach to reviewing national needs.

Proper business cases should be made on all projects which have national significance. Those obstacles and blockages to projects—whether they relate to law, land use planning, financial matters, guidelines or regulation difficulties—must be overcome.

Infrastructure Australia will be established as a statutory advisory council with a membership of 12. Nine members—one of whom must have local government experience and expertise—will be nominated by the federal government, with five, including the chair, being from the private sector. Three will be nominated by the states and territories. It is a partnership. It is the Rudd Labor government looking to build the future in cooperation with the private sector and the state governments.

I commend the appointment of Sir Rod Eddington as the inaugural chair of Infrastructure Australia. It is reassuring that someone of Sir Rod’s calibre has been chosen. It is a tremendous choice. He will bring strong leadership and formidable business experience to the role, drawing on his three-decade career in domestic and international transport and aviation. I am confident he will lead the new national body with aplomb. Infrastructure Australia means infrastructure development will not be delivered based on the marginality of a member’s seat—a practice of the previous Howard government.

I look forward to what Infrastructure Australia says concerning my seat of Blair, which is a rural and regional seat. Just five minutes from my electorate office you are in the rural areas of Blair. I look forward to what Infrastructure Australia says concerning the transport and rail needs of the people of Blair. Outside of Ipswich, we do not have any public transport. In terms of railways, we only have one rail line to Brisbane. I commend the state government for extending another rail line through the Springfield area to Ipswich. When it comes to roads, I look forward to what Infrastructure Australia has to say concerning the Cunningham Highway, which is breaking away near Aratula; the shoulders of the road are a danger to life and limb. I look forward to what Infrastructure Australia has to say concerning the Warrego Highway, which has over 28,000 vehicles a day travelling upon it. It is the main linkage for people living west of Ipswich through to Toowoomba and the rural areas on the Darling Downs.

Labor has a proud history of infrastructure development. As a young boy growing up in Ipswich, I saw the benefit of Labor governments and what they did for Ipswich. Locally, a good friend of mine, former Ipswich Mayor Des Freeman, a former organiser with the coal miners federation, would often tell me when I was growing up that it was a Whitlam Labor government—a Labor government—which could be credited with bringing sewerage to Ipswich. Growing up I saw what Labor governments did for road development and rail networks. The Ipswich Civic Centre, which hosted the annual business awards of the Ipswich Chamber
of Commerce last Saturday evening, which I attended, was built by funding received courtesy of the Whitlam Labor government—a great project.

I am pleased to say that the new Rudd Labor government takes seriously the infrastructure needs of my electorate of Blair. The Rudd Labor government will deliver $10 million for the redevelopment of the Ipswich central business district, a project sorely needed. This will be undertaken in partnership with the Ipswich City Council through its integrated plan and under the auspices of the Queensland state Labor government’s Ipswich integrated strategy and action plan announced recently.

Perhaps the greatest failure of the Howard coalition government concerning the infrastructure needs of Blair, and why Infrastructure Australia should have been established so many years ago, is best demonstrated by the state of the Ipswich Motorway. The Ipswich Motorway is a source of frustration, delays and despair for the people of Blair. Up to 100,000 vehicles a day at peak times travel along this four-lane national highway.

The Ipswich Motorway is a danger to life, limb and property. Accidents occur on a daily basis. People—the thousands of Ipswichians who commute every day—leave for Brisbane early because they have to put up with delays. People listen to traffic reports on the radio and on the TV and plan their trips accordingly. The Ipswich Motorway acts as a bottleneck. It is a burden to the people and an obstacle to growth.

In early 1999 the Howard coalition government commissioned the Queensland state government and paid for a report to be prepared on local infrastructure needs between Ipswich and Brisbane, particularly with reference to the Ipswich Motorway. The recommendation of the Kellogg, Brown and Root report was to upgrade the Ipswich Motorway to six lanes and put service roads down the side, this having been a national highway since 1974. What did the Howard coalition government do on this infrastructure project—it was then, I might add, costed at $600 million—which is vital to the people of Ipswich and its rural surrounds? It did simply nothing—nothing for years. The Howard government was asleep at the wheel not just in terms of infrastructure but in terms of the Ipswich Motorway. The previous coalition government came up with an alternative bypass costed at $3 billion. They announced it only months from the election in 2007, and without any cost-benefit analysis. No business case was prepared before nearly $3 billion of taxpayers’ money was pledged for only 10 kilometres of road—only half the distance between Ipswich and Brisbane.

If only there had been Infrastructure Australia there to advise the Howard coalition government. If only the Howard coalition government had adopted a national approach and not an irrational approach to infrastructure needs in Blair. Only the Rudd Labor government is interested in the infrastructure needs of Blair and only the Rudd Labor government will fix the Ipswich Motorway. Infrastructure Australia will benefit the people of Blair by creating a roadmap for the future. Only the Rudd Labor government has the determination to do it. And only the Rudd Labor government will create Infrastructure Australian to look at business needs, and planning, legal and other obstacles for the people of Blair.

I say this as someone who has been in business for 21 years: you do not just set up your business and expect it to run rationally and economically soundly. You set up your business by planning it, structuring it and working out what you need. You look at the needs of infrastructure—the fixtures and fittings of the business, and the staffing and all those sorts of things. You do it properly. You plan, construct and develop. You look at what needs to be
done. You do not just say ‘I’ve got the money in my back pocket and I’ll just spend it willy-nilly’ because it feels good at the time.

I commend the government for this initiative. This initiative will make a real difference in a rural and regional seat like Blair. It will make a practical difference in the life of the people. I look forward to the day when they do not have to turn those radios and TVs on early just to find out whether the Ipswich Motorway is blocked. I look forward to the day when I can drive on the six-lane Ipswich Motorway built by the Rudd Labor government, with service roads down the side so that the people of Ipswich and the rural surrounds will have the kind of infrastructure they need for their safety, their health and the benefit of the working families of Blair. I commend the bill.

Mr SNOWDON (Lingiari—Minister for Defence Science and Personnel) (12.05 pm)—I acknowledge the member for Blair and congratulate him and the member for Blaxland on their election to this joint. Based on their contributions this morning to this debate on the Infrastructure Australia Bill 2008, I think they are going to be valuable contributors to the debates of this parliament. Obviously they have a very clear knowledge of their responsibilities in terms of representing their electorates’ interests, so I want to congratulate them for their contributions.

There is no question that infrastructure is the veins through which the lifeblood of our economy flows. Proper systems of road, rail, shipping, telecommunications, ports et cetera are essential to keep our country strong and our economy growing. Shortfalls in infrastructure will result inevitably in bottlenecks in delivering products to market, as is evident in the capacity constraints faced in areas of Queensland and the Hunter Valley. These bottlenecks place extra costs on businesses, act as a brake on economic and productivity growth, and create inflationary pressures.

The importance of good infrastructure cannot be assessed just in economic terms. It has a direct effect on communities. I know this only too well—as I am sure you do, Mr Deputy Speaker Scott—from living in the Northern Territory and representing some of the remotest parts of Australia in the seat of Lingiari. The provision of infrastructure in places like these takes on a whole new dimension. Vast distances between population centres and a high number of remote and rural communities create a unique set of issues in delivering reliable infrastructure and ensuring people can access the services they deserve as citizens of this nation.

We have to address these infrastructure issues. People who live in these parts of Australia have unique constraints in terms of infrastructure which affect the way in which people live their daily lives, whether or not they live in any of the communities across my electorate of Lingiari, be it Alice Springs, Gove, Bathurst Island, or on Christmas Island or the Cocos Islands—two island communities in the middle of the Indian Ocean, 3½ thousand kilometres from Perth, both of which are part of my electorate. I commend the member for Blair for demonstrating the extreme shortfalls of the Howard government’s approach to infrastructure and the capacity constraints that have resulted from it in developing the Australian economy. It was the Rudd Labor government which highlighted infrastructure as a major priority—indeed, a key priority—with this piece of legislation being one of its first acts after election.

As a result of this legislation, for the first time since Federation the Commonwealth government has an infrastructure minister and an infrastructure department. It is clear that this government has put infrastructure front and centre on our agenda for economic development.
for this country. By doing so, it shows the irresponsibility of the previous government in neglecting its obligations to the Australian community. There are doubtless and apparent shortfalls to be overcome after 11½ years of absolute neglect by the previous government. In 2004, the Australian Council of Infrastructure Development estimated that the lack of investment in the nation’s infrastructure over many years cost the economy around $6.4 billion a year in lost production. The OECD ranks Australia 20th out of 25 countries when it comes to investment in public infrastructure as a proportion of national income. Given the nature of the Australian continent, the dispersal of the Australian population and the need for infrastructure development, this defies belief when we know that investment in infrastructure generates higher returns than investment in other sectors of the economy.

This piece of legislation is vitally important to this nation and its future. It delivers on our commitment to establish a statutory advisory council—Infrastructure Australia—to develop a strategic blueprint for the nation’s future infrastructure needs. It is not my intention to pursue the issue of Infrastructure Australia any further because it has been outlined by others quite significantly and well and I am conscious of the time line for this debate. But I do want to demonstrate some of the unique and significant infrastructure shortfalls and needs for the people of the Northern Territory. They are not unfamiliar to you, I am sure, Mr Deputy Speaker Scott.

One significant area is, of course, that of roads. For Territorians, not only are they our life-line in terms of getting service in communities, but the nature of our economy means they are vital to the economic growth of the Northern Territory. We have approaching 300,000 live cattle exports crossing Darwin’s wharf every year, something I am sure would be close to your heart, Mr Deputy Speaker Scott. Then there are the mining companies which are developing in the inner Northern Territory and which use the Northern Territory’s roads. There is the significance of the tourism industry. And there is the need to have road infrastructure, the networks of roads, properly serviced to allow the very diverse numbers of communities to be connected with one another and the wider economy. In much of the Territory bitumen is scarce, and failing bush roads between scattered remote communities and pastoral properties are the norm.

Many communities in the Top End in particular face isolation year after year with the coming of the wet season. Roads are flooded and made impassable. People living in these communities can be cut off for months at a time from the delivery of supplies and essential services. As an example, the Wollogorang Road runs 262 kilometres east of Borroloola through to Queensland. Borroloola is in the south-eastern part of the Gulf of Carpentaria. Along it there are 10 major stream crossings, excluding the McArthur River crossing, which are closed to access for varying periods over each wet season. The McArthur River crossing is impassable for more than eight weeks each wet season. Locals have to resort to using small aluminium boats to cross the river, and in doing so expose themselves to the danger of strong and unpredictable currents. On the other side of the Territory, the Port Keats Road, or Wadeye road, connects the community of Wadeye to the outside world. A number of stream crossings become impassable during the wet. The causeway across the Daly River, for example, closes the road for an average of 114 days a year, with longer closures in years of extreme rainfall. In 2005-06, the road was closed for 210 days.
I know it is difficult for people in this place to understand what that means. I say to the member for Banks: if the Hume Highway were cut for 210 days a year, what would it mean to the people of Sydney? What would it mean to the people of Melbourne? What would it mean to the people of Canberra?

Mr Melham—It would be a disaster.

Mr SNOWDON—He rightly points out that it would mean disaster. The costs of this disaster, the closure of a road of this nature to Wadeye, are borne by this community, an Indigenous community of roughly 2,500 to 3,000 people. They are not in the mainstream eye. There is a lot of criticism made of Indigenous communities across the Northern Territory. But, when people understand the nature of the disadvantage those communities suffer because of their geographic isolation and because of the nature of the road and communications infrastructure that they have until recently had to endure, there should be no doubt where the costs are being borne. It is not unusual—indeed, it is common—for these communities to rely on air charters and helicopters for their services.

As a commitment at the last election, this Labor government resolved to upgrade airstrips and install lighting in a number of communities—at Minjilang, or Croker Island, Robinson River, Nyirripi, Ti Tree, Apatula, Peppimenarti and Milyakburra. This will ensure that people living in these communities in remote parts of Australia will have access to food and other essential services, including medical supplies, mail and personnel like teachers, doctors and nurses.

My time is about up, but there are a number of other areas of infrastructure that need to be contemplated when we are talking about the bush, not the least of which is broadband. I know it is a central feature of our communications policy, and it is important that we contemplate what it means for people who live in the bush. Broadband is essential for local government, small business and individual citizens, regardless of where they live. The absence of effective broadband removes an absolutely vital lifeline—for example, for Defence families who want to keep contact with loved ones who may be on hazardous overseas deployments. It stops families in remote areas from keeping in touch with families in the southern states, and that is a vital element of their wellbeing.

This bill stipulates that Infrastructure Australia will look at economic or physical infrastructure, specifically transport, energy, communications and water infrastructure. This is not to say that things which are commonly classified as social infrastructure—schools, hospitals, libraries, universities—are not to receive attention. Indeed, in the case of my electorate, this government has committed itself to addressing fundamental housing needs in Lingiari as well as additional resources for schooling and health services. As you know, Mr Deputy Speaker, these institutions are important foundation blocks of our communities and will be treated as such by this government. I welcome the bill and commend it to the chamber.

Ms NEAL (Robertson) (12.21 pm)—I rise to speak on the R2937 Infrastructure Australia Bill 2008 which is before the chamber today. This is a bill which both meets last year’s election commitment by Kevin Rudd’s team and is consistent with Labor’s tradition of enhancing built and social infrastructure. Nation building is part of the grand Labor tradition and the Labor dream of what a modern Australia should look like. This is the view that working families should be able to rely on a safety net of both built and social infrastructure.
Labor governments' investment in infrastructure and their involvement in building our nation are longstanding. In fact, Labor was responsible for most of the greatest infrastructure schemes since federation: the Snowy Mountains Hydro Scheme was launched in 1949 by a great Labor icon, Ben Chifley; the Sydney Opera House was launched by Labor Premier Joseph Cahill; and, close to my own electorate, the F3, which runs between Sydney and the Central Coast, was built by a Labor New South Wales government. We also saw the nation-building schemes of the seventies under Gough Whitlam and the great urban investments of the nineties by Minister Brian Howe through the Better Cities program, which saw many urban infrastructure projects, including the backlog, undertaken. This government's $4.7 billion plan for broadband infrastructure and the extension of optical fibre to the node is in keeping with these principles.

Our Labor government is looking at the long term and building for the future. We want to grow this nation and unstop the bottlenecks which are holding back growth in productivity. At the end of 12 years of the coalition government, the productivity growth of this nation was running at zero per cent, and this was at least partially due to the failure of that government to properly plan the necessary infrastructure to facilitate economic growth. The run-on effect of this failure in our productivity growth is the challenges we are presently facing with inflation, with its own run-on effect on interest rates—such a blight on so many Australian families. Labor has thus taken steps to identify those bottlenecks within its first 100 days of government with the introduction of this bill, the Infrastructure Australia Bill.

The core objective of the bill is to form a committee of 12 members with appropriate experience, to be drawn from the states, the Commonwealth, local government and the private sector, who will determine infrastructure needs Australia-wide and prioritise them. Infrastructure Australia will be supported by the appointment of an Infrastructure Coordinator and a budget of $20 million over four years for its operations.

I am particularly thrilled to see this development because of the needs of the Central Coast. Over the last 30 years we have seen a phenomenal population growth. This area located between Sydney and Newcastle now has a population in excess of 300,000. Each day, some 35,000 workers commute to Sydney, mainly by rail but many also by road. The infrastructure of the Central Coast has not kept pace, and the population expansion has stressed our unique and fragile coastal environment. We on the Central Coast have been largely ignored for the last 12 years, and the decline of our built infrastructure has let down our economy and the many members of the Central Coast community who rely on that infrastructure.

One of the issues that concerned me about the attitude of the previous federal government is that they constantly argued that matters were other people's responsibility, rather than their own, and that it was the fault of either the state government or the local government that there was such a failure in infrastructure or that many things did not occur that really were required. They refused to take on the leadership role—which is, I believe, a proper role for the federal government—and this led to a lack of prioritisation and to decision making within geographical and legalistic compartments, rather than to a proper assessment of the optimum choices. This bill is a clear rejection of this approach. This is a clear statement by the Kevin Rudd Labor government that it will take up its proper leadership role on infrastructure.

On the Central Coast we have a great need for improvements in both our built and our social infrastructure. The Central Coast has two lifelines running from Sydney on to Newcastle:
the first is the F3 Expressway and the second is the railway. The F3 has had many interruptions in recent times, both from bushfires and from accidents. This is being partially remedied at the moment by an expansion of that expressway to six lanes, undertaken at a cost of some $200 million. But I have to say that I was somewhat distressed by the focus solely on roads by the previous member for Robertson, who at the same time was also the Minister for Local Government, Territories and Roads. It is my view that, because of the segmentation of decision making and the division between different governments, proper priority was not given to rail, which I believe really should be the priority for the Central Coast.

In fact, the Central Coast really requires a major expansion of the railway and preferably an additional rail line that does not run along the same route as the present rail line. This need was partially addressed by Martin Ferguson—who is now a minister, but in a separate portfolio—when he announced during the election that about $840 million would be provided for a dedicated freight line between Sydney and Newcastle. The obvious result of that additional infrastructure would be that the many occasions where the passenger line is interrupted because of breakdowns in the freight line would not occur. So we would have a much more efficient freight line but, at the same time, we would also have a much more efficient passenger line, which would run more freely, with fewer interruptions and delays.

I understand from discussions with those involved in transport on the roads that every freight train that travels along that line reduces the number of trucks on the F3 by approximately 80—a phenomenal number—which means, of course, that as well as having the run-on effect of improving our passenger line the new freight line will also reduce the congestion and the accidents on the F3. In fact, it appears that about 80 per cent of the many interruptions on the F3 in recent times are a result of accidents that occur because of incidents involving trucks. So you can see the obvious, logical advantage of having fewer trucks travelling on the F3.

Of course, our infrastructure is not just about transport, though. There are a whole range of other areas where we are failing. I have to say that I have had a huge number of complaints from many of my constituents—both during and after the election—about their incapacity to access some of the basic infrastructure in relation to communications. There are extensive areas in the seat of Robertson and on the Central Coast where people are unable to access something that most people consider absolutely necessary—that is, mobile phone services.

In fact, there have been many people who have made representations to me, from the Spencer area, from Mangrove Mountain and from the other areas in the hinterland, who cannot even access mobile phones to obtain emergency services. This is something that is obviously deeply concerning for them and is also deeply concerning for the people who use those roads. If they do have an accident, they are unable to access emergency services. I spoke to a man who had experienced very difficult circumstances. At about 50—I think this says something about avoiding a midlife crisis—he purchased a motorbike and was travelling on the roads in the hinterland in my electorate. He unfortunately had an accident and had to lie on the road for some time waiting for someone else to come along and find him, because he could not use a mobile phone in order to call emergency services.

What this highlights is that there is a great need in my seat on the Central Coast for improvements in our infrastructure. There is a great need for greater economic activity, and this lack of infrastructure is a bar to it. This bill takes us a long way down the track of properly
prioritising and making sure that where infrastructure is needed it is built. I very much endorse this bill and call on the opposition to show statesmanship and support this bill in the interests of the nation.

Debate (on motion by Mr Melham) adjourned.

ADJOURNMENT

Mr MELHAM (Banks) (12.31 pm)—I move:

That the Main Committee do now adjourn.

La Trobe Electorate: Community Facilities

Mr WOOD (La Trobe) (12.31 pm)—In recent weeks in Boronia we have had two serious criminal incidents which I wish to bring to the attention of the chamber. The first was an arson attack in the Boronia Village in late January, which left the Bangkok Gardens Thai restaurant completely gutted and eight other businesses terribly damaged. I really feel sorry for those business owners, whom I have actually met and dealt with, about how much impact this has had on their lives. More recently a 69-year-old woman was robbed at knifepoint at an ATM in Boronia as she put money into her handbag. She was stabbed once in her hand and then twice in her arm by her female assailant before the attacker tore the handbag out of her hands and fled. Even a good Samaritan who saw the struggle and ran after the female robber received stab wounds. This was a very serious incident and will have a great impact on the victims concerned.

In a former life I was a constable at the Boronia police station and also a detective in Boronia, so I know first-hand the troubles and experiences of lack of police resources. It was with great sadness that in 2005 I and Gay Williams, the president of the Boronia Chamber of Commerce, spoke out strongly against the relocation of the Boronia criminal investigation unit to Knox. We previously had the situation, when I was a uniformed policeman at Boronia, that we actually moved the police station to Knox—and then, because of serious crime, the police station and members were brought back to Boronia. Again I look at this as an important issue. I still stand by my position that there should be a criminal investigation branch at both Knox and Boronia. I congratulate state members—the member for Ferntree Gully, Nick Wakeling, and the member for Bayswater, Heidi Victoria—for keeping the Brumby state government accountable for the lack of resources in Boronia.

As many in this place will know, the previous government’s National Community Crime Prevention Plan, NCCPP, was an extremely successful program launched in 2004 to fund grassroots projects to enhance community safety by reducing crime and antisocial behaviour. There were a number of tremendous projects for the local area, including the Cockatoo Township Committee, which received $445,000 for closed-circuit TV cameras as well as other intervention and preventative strategies, and also for assisting our youth. Belgrave residents through the Belgrave Traders Association received $42,000 for closed-circuit TV cameras.

That is why I have been very disappointed. Under the previous government we had an election commitment of $150,000 for closed-circuit TV cameras in Boronia. During the federal campaign, my opponent never raised or supported this issue at all. This was of great concern to the local residents. After the campaign, the local media wanted to know what was happening with these cameras. I suggested they contact the Minister for Home Affairs. It is interesting to note that on 27 February 2008 the Knox Journal reported the following:
Last week the office of home affairs minister, Bob Debus, promised $150,000 for crime cameras in Boronia, but confusion ensued on Monday when Mr Debus’s office said that the promise was actually for a closed-circuit television system in Berwick.

I have no doubt that the residents of Berwick would like closed-circuit TV cameras, and I strongly support that. But, as a former police officer and as the member for La Trobe, the real area in crisis is Boronia. It absolutely saddens me that the minister’s office has made this bungle and is now not committing to crime cameras in Boronia. In actual fact we have been told that the whole funding allocation of the Rudd government to cameras in La Trobe is $150,000, which I find to be an absolute disgrace. Again, I go on to further commitments under the previous government for crime prevention. The Basin Football Club received $5,000; the Emerald Scout Group received $3,000; Knox Community Health, $5,000; and the Berwick RSL, $2,600. Again I call on the minister to commit to funding $150,000 for cameras in Boronia.

Rugby League

Mr HAYES (Werriwa) (12.37 pm)—I have been accused of a number of things in my time, but I do plead guilty to being a rugby league tragic and a diehard supporter of the Wests Tigers rugby league team. I can’t wait for the kick-off for the 2008 season. This weekend sees the start of the rugby league season and my home team, Wests Tigers, are going to be playing St George on Sunday. I am sure that Robert McClelland is going to be very disappointed after that.

This year is a very special year for rugby league. Wests Tigers is a foundation club and the rugby league is now in its 100th year. We have seen many celebrations taking place. There is certainly a lot of memorabilia now being showcased in the National Museum down here in Canberra. That is 100 years of blood, sweat and tears and 100 years of rugby league providing an opportunity for young people to come through and play competitive rugby league. It is certainly something that I had the luxury of growing up with. I only ever had two choices of sport: I played rugby league in the winter and cricket in the summer. That is the way the member for Banks and I grew up.

As I said, Wests Tigers is a foundation club, and it is a merged club. It is actually a merger of the former Balmain Tigers and the Wests Magpies. In October 2005 the member for Banks and I went out to Telstra Stadium to see our beloved club win the premiership. It was a fantastic night, as the member for Banks would agree. When he got back to Campbelltown and got back to see what it did for the local area—what it did not only within the clubs and pubs around the place but what it did to families—it was like the Olympics had just been won out there in Campbelltown. It was an absolutely fabulous feeling. If you could harness and bottle that, we would all be very rich.

This is a rather unique game. Probably there are derivatives in other states, but rugby league in New South Wales and Queensland does have a religion-like following. It is only right that I pay tribute to our local kids who are going to be playing this weekend. In a team as strong as Wests Tigers we have Dean Collis, Liam Fulton, Bryce Gibbs, Brett Hodgson, Chris Lawrence, Shannon McDonnell and Rocky Trimarch all going out on the paddock this week as local kids who have made good in terms of their contribution in the NRL Telstra Premiership.
Everything bodes well for this being a very good season. One of the good things that the Rudd Labor government committed to doing at the last election to assist young people in the south-west of Sydney was to put a significant amount of money into upgrading the stadium at Campbelltown. Wests Tigers will be playing there. There will be first-grade soccer, players from the Jim Beam cup and women’s soccer sides playing there as well. It is going to be a huge net addition to our area and it is something that the Rudd Labor government decided in its wisdom to do something positive about to provide a first-class sporting facility in the south-west of Sydney to encourage young people to participate in various sports and to encourage their graduation to an elite level.

Wests Tigers actually give a lot back to the community, whether it be visiting paediatric patients in our local hospital, doing things at our disability centres or doing things for the community generally. Wests Tigers is very much a local team and very much takes comfort in being able to act as a good corporate citizen in the way it relates to its community. I would like to pay tribute to Tim Sheens, the coach—he has certainly done a fabulous job with the club—and Steve Noyce, the CEO. Steve and I actually go back a long way. He was running around some 15 or 16 years ago coaching kids himself and now he is running one of the most successful clubs in the NRL. So to Tim, Steve and Brett Hodgson, who will be captaining the side on Saturday: I wish you all the best.

Madam Deputy Speaker, as you would appreciate when you visit my office, I still proudly display the 2005 premiership jersey. I hope that by the end of the year when you call in on me again you will see proudly displayed—in my office and that of the member for Banks—copies of the 2008 premiership jersey signed by our successful winning team.

**Housing Affordability**

**Mr SIMPKINS** (Cowan) (12.42 pm)—A lot has been said in recent times about mortgage stress, and the government have come up with their plan. I now suggest a new approach, my own approach, to housing affordability. My proposal is aimed specifically at first home buyers. It is designed to provide them with achievable cost targets in order to help them buy a home quickly and their family to own it outright in the future. Firstly I propose that state and federal governments provide 50 per cent of their available and appropriate land for access under this scheme. By way of a local example for the people of the electorate of Cowan, I am talking about land such as the large tract of land which lies immediately north of the suburb of Ballajura. This could quite easily be rezoned to residential. After the state has provided that land, the federal government would be responsible for financing the development, subdivision and installation of infrastructure on that land.

Applicants for admission to the scheme would be homebuyers not investors and not currently owners of other property. For the life of the leasing arrangements the participants would not be allowed to purchase or own additional land, residential property or more than one business premises that they operate as a business themselves. This would ensure that these favourable terms were taken up by those people who really needed assistance—first home buyers—and would not allow investors to cash in. Applicants would be required to save a 15 per cent deposit for the cost of building a new home on the subject block of land. Once that 15 per cent was saved the applicant would then apply for a 100-year lease on the block with the subject subdivision and upon acceptance apply for a loan for the construction of a home.
The lease of the land would equate to a yearly fee equivalent to the rates and the lease fee would be paid to the relevant government or whoever developed the land. As usual rates would also be payable to the local government covering the area. Once the buyer has paid off their home loan they would then commence saving a 15 per cent deposit for the purchase of the land itself. Once that deposit figure was achieved they could then apply for a loan for the remainder of the cost of the land. That loan drawdown would then be paid to the original owner of the land—which in the case of this land, for example only, would be the state government.

The price of the land would increase by CPI per year from an agreed value at the start of the lease until the deposit and land loan funds were paid to the relevant government, at which time the lease payments would cease and the purchaser would own the building and land freehold—with the assistance of the lender, of course. From this point forward the further sale of the home would be at current market values and conditions. Under this lease proposal the buyer and their family would have 100 years of the lease during which they could buy the land. If they failed to do this then ownership of the land and the buildings upon it would revert to the relevant government; but 100 years is a long time, and these achievable objectives are exactly that—achievable.

My proposal strongly encourages saving and sacrificing to reach a deposit level of 15 per cent. It would dampen demand for luxury items and therefore be anti-inflationary in that respect. This proposal is not for investors; this proposal is for first home buyers. It is for those who are coming back from broken marriages and broken relationships and who want to start again but find it a difficult road to travel. It is for those who cannot realistically look beyond the financial horizon of the current challenges of demand for houses. It is for those people out there who need help to achieve the great Australian dream. That is core business for us all, and we should be there for those who need us.

Mental Health Services

Mr SIDEBOTTOM (Braddon) (12.46 pm)—Last Friday, I had the great privilege of being with our Minister for Health and Ageing, Nicola Roxon. We were able to announce $1.25 million funding for a wonderful example of self-help in the provision of mental health services in Tasmania, particularly on the north-west coast of Tassie. The funding was for the Sisters of Charity Outreach program based at 68 Oldaker Street, Devonport.

The Sisters of Charity Outreach is the only specialist grief and trauma service in Tasmania. I would like to share with you their mission statement, because I think it encapsulates exactly the philosophy of their service and those who provide it. The mission statement says: At Outreach we believe that as people who are hurting seek to adjust to their changed circumstances they deserve to be treated with respect and dignity, offered non-judgemental support and receive the very best professional care available. In time they will, most likely, lead their own healing.

The program, which I can only offer in summary, is quite extraordinary. It is a non-government, not-for-profit group, providing specialist grief and trauma counselling services, that makes a significant contribution to mental health services in Tasmania. People whose poor emotional or psychological health is trauma or grief related—those, for example, with histories of severe abuse or trauma, a recent traumatic experience or complicated grief, including those at risk of suicide or who are suicide bereaved—are poorly resourced in Tasmania, particularly on the north-west coast. Outreach provides specialist support to these indi-
individuals and families by providing a variety of services which I would like to share with you—and which will be funded over the next four years to the amount of $1.25 million by the Rudd government. This was a commitment, I might add, in our election campaign, and I am very honoured that it is part and parcel of the Rudd assurance to deliver on commitments.

Outreach provides counselling services for children, adolescents and adults, using evidence based practice and incorporating systemic intervention to include—I find this really interesting—partners, parents and whole families, where applicable. It addresses suicide ideation, suicide attempts and the impact issues associated with suicide, with over half of its current clients just related to suicide, parasuicide or suicidal disorders. It makes professional support available to all, regardless of financial means, by providing counselling on a capacity-to-pay basis. Many cannot pay; they do not have the capacity. Outreach conducts community and health professional education and training programs in grief and trauma support, including suicide awareness, minimisation, intervention and postvention. It provides clinical supervision for professionals working with suicidal, bereaved and traumatised people. And it receives referrals from a wide range of medical professionals plus mental health, community and welfare providers. It is quite an extensive service. It is unique. It is given in the belief that all people who are traumatised or in grief have a right to seek some form of counsel and support. I am really pleased that we are able to support it with the $1.25m funding.

The sister, who was also the doctor and psychologist, who was responsible for the establishment of the Sisters of Charity Outreach, Colleen Jackson, has now left and moved on to Melbourne, where her services will be used quite extensively. I wish the organisation and the services, particularly under the current management of Ms Linda MacKay, all the best. I know they are really excited about this support and are looking forward to providing this wonderful unsurpassed service in the north-west coast and for Tasmania. They have now got a full-time psychologist hopefully joining their staff very soon to provide this invaluable service.

**Broadband**

Mr DREYFUS (Isaacs) (12.51 pm)—Late last year, a number of residents of the Epsom estate of Mordialloc in my electorate contacted me about the lack of availability of high-speed broadband in their area. Working with Janice Munt, the member for Mordialloc in the state parliament, I was able to bring this to the attention of Telstra and the then shadow minister for communications, Senator Conroy. The failure to upgrade the local exchange meant that residents in this area were unable to access what hundreds of millions of people in developed countries around the world take for granted. It was with some satisfaction that recently I was able to inform local residents that Telstra had agreed to upgrade the local exchange to make it ADSL2+ enabled.

This will make a real difference to the lives of residents like Jarrod Boxall. It was Jarrod who brought this issue to my attention last year. He told me that he could not understand how, in 2007, a community like the Epsom estate, which is a new residential estate in a middle-ring suburb in Melbourne, could be without high-speed broadband—and nor could I. The unavailability of broadband made it near to impossible for him and other people to conduct their businesses from home.

High-speed broadband is no longer an optional extra. It is critical to full participation in contemporary society and in the modern economy. Communication technologies are intrinsic to the lives of so many people. The absence of these technologies makes it difficult for fami-
lies to work from home, as many people do today. Indeed, without technology our children—in fact, all of us—are denied opportunities to learn, to be entertained and to communicate with friends and family.

In the longer term, we need government to take a leading role in infrastructure development in this country. The failure of the former government to provide national leadership has left Australia trailing compared to our trading partners. The Rudd government is committed to ensuring that broadband access will be provided to 98 per cent of homes and businesses, and it is going to be a network that is over 40 times faster than the current entry-level broadband speed. Importantly, to promote competition, it will be open access, ensuring that prices for consumers will be driven down.

I would like to touch on what this means for local businesses in my electorate, particularly in the manufacturing sector. As I mentioned in my first speech, the south-east region of Melbourne is an important region for manufacturing in Victoria and, indeed, in Australia. My electorate of Isaacs contains two important manufacturing areas, in Dandenong South and Braeside, where manufacturing industries provide tens of thousands of jobs across a range of sectors.

More and more, these are advanced operations that require highly skilled labour and leading-edge technologies. Traditional infrastructure, such as roads, utilities and water, remain important to ensuring that goods can be produced and then transported to market. But, increasingly, high-speed communications technology is critical to manufacturing operations remaining in Australia. The national broadband plan is a key to increasing productivity in our economy.

Our competitive advantage does not lie and will not in the future lie with Australia being a low-cost producer of consumer goods. The future of manufacturing in this country—and, potentially, manufacturing has a great future—will be based on a skilled workforce working with world-class technologies and innovative processes such as those we see in the south-east of Melbourne. We have the people and we have the ideas, but design, research and engineering will continue to happen here only if the technologies are provided to make them possible.

I know of one company in the Dandenong region, in my electorate, that has based their design team in Melbourne and their production team overseas. The production of their goods requires the transmission of enormous amounts of data across the globe. For this company, high-speed communications networks are not an option—they are an essential requirement to be able to compete. Without the means to communicate between plants, such a company would have no choice but to base more of its operations overseas. The Rudd government is committed to ensuring that the best communications technologies are fully available to the whole of the Australian community.

Indigenous Affairs

Mr HAASE (Kalgoorlie) (12.56 pm)—I seize this moment to speak in the adjournment debate on a topic most current. With the new government, the creation of new standing committees and the investigation as to particular topics of inquiry to pursue, I am reminded that one of the final initiatives of the previous government was to make some radical changes to the long-entrenched system of community employment development in Indigenous communities. The original concept for setting up CDEP was to give members of communities the op-
portunity to have some meaningful employment within their communities where otherwise sustainable commercial jobs did not exist. In reality the program became a substitute for welfare. The best intention of creating a circumstance where people were eased into an employment situation was based on the premise of the very old Christian work ethic and the necessity for Indigenous people in communities where no real, sustainable commercial work existed to be slowly eased into a position of gaining income through employment, as opposed to gaining welfare while doing nothing.

There was a very long and well-considered process for the eradication of CDEP in so many Indigenous communities. It was declared broadly that, where unfilled, real jobs existed, CDEP would be phased out over time; and, where it was considered there were no real, meaningful, sustainable commercial jobs, CDEP would remain. Of course, in the rollout of this new program, some glaring errors were made. A classic example perhaps is that CDEP was abolished in Kalgoorlie, Broome, Port Hedland and Esperance, in my electorate, but it was not abolished in Karratha. Karratha is one of the most buoyant economies in Western Australia right now, with job vacancies through the roof, and yet we maintain the CDEP program for able-bodied people with the time on their hands to fill these positions, a number of them not requiring special skills.

The reason I rise on this occasion is to highlight the fact that, with a new government, we are now contemplating the rolling back of that removal of CDEP programs. Just today, in the Australian, there is a wonderful article that I would bring to members’ attention that cites a case where 50 members of a community, previously employed on CDEP, as a result of the previous government’s removal of that policy have now got real, meaningful jobs where they are being paid for the work that they do—primarily, I might add, in home maintenance, an area that we all accept is dreadfully unattended in Indigenous communities.

We all talk about the dreadful state of Indigenous housing in communities. The dreadful state of that housing is too often a result of very poor maintenance and the heavy impact of a large number of people living in that one dwelling. You would assume, therefore, that it would go hand in hand—that every Indigenous community with a housing program would also have meaningful employment for Indigenous members of that community in maintaining those houses. It is not the case, I may tell you. It is the exception rather than the rule that people presently on CDEP transfer into real jobs—for instance, maintaining houses. There is a lot of work to be done in transferring from CDEP to real employment, and there is no magic wand. But it is an area that does deserve serious consideration, because CDEP is not appropriate in all communities and the transition must be made to real employment.

Question agreed to.

Main Committee adjourned at 1.02 pm