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SITTING DAYS—2008

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- **GOLD COAST**: 95.7 FM
- **MELBOURNE**: 1026 AM
- **ADELAIDE**: 972 AM
- **PERTH**: 585 AM
- **HOBART**: 747 AM
- **NORTHERN TASMANIA**: 92.5 FM
- **DARWIN**: 102.5 FM
FORTY-SECOND PARLIAMENT
FIRST SESSION—SECOND 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
Manager of Opposition Business—Hon. Joseph Benedict Hockey MP
Deputy Manager 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

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<td>Vamvakoungou, Maria</td>
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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—IC Harris AO
Secretary, Department of Parliamentary Services—D Kenny (Acting)
RUDD MINISTRY

Prime Minister Hon. Kevin Rudd, MP
Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion Hon. Julia Gillard, MP
Treasurer Hon. Wayne Swan MP
Minister for Immigration and Citizenship and Leader of the Government in the Senate Senator Hon. Chris Evans
Special Minister of State, Cabinet Secretary and Vice President of the Executive Council Senator Hon. John Faulkner
Minister for Trade Hon. Simon Crean MP
Minister for Foreign Affairs Hon. Stephen Smith MP
Minister for Defence Hon. Joel Fitzgibbon MP
Minister for Health and Ageing Hon. Nicola Roxon MP
Minister for Families, Housing, Community Services and Indigenous Affairs Hon. Jenny Macklin MP
Minister for Finance and Deregulation Hon. Lindsay Tanner MP
Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House Hon. Anthony Albanese MP
Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate Senator Hon. Stephen Conroy
Minister for Innovation, Industry, Science and Research Senator Hon. Kim Carr
Minister for Climate Change and Water Senator Hon. Penny Wong
Minister for the Environment, Heritage and the Arts Hon. Peter Garrett AM, MP
Attorney-General Hon. Robert McClelland MP
Minister for Human Services and Manager of Government Business in the Senate Senator Hon. Joe Ludwig
Minister for Agriculture, Fisheries and Forestry Hon. Tony Burke MP
Minister for Resources and Energy and Minister for Tourism Hon. Martin Ferguson AM, MP

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<td>Assistant Treasurer and Minister for Competition Policy and Consumer Affairs</td>
<td>Hon. Chris Bowen MP</td>
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<td>Hon. Alan Griffin MP</td>
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<td>Minister for Housing and Minister for the Status of Women</td>
<td>Hon. Tanya Plibersek MP</td>
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<td>Hon. Warren Snowdon MP</td>
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<td>Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation</td>
<td>Hon. Dr Craig Emerson MP</td>
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<td>Minister for Superannuation and Corporate Law</td>
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<td>Hon. Justine Elliot MP</td>
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<td>Hon. Kate Ellis MP</td>
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<td>Parliamentary Secretary for Early Childhood Education and Childcare</td>
<td>Hon. Maxine McKew MP</td>
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<td>Parliamentary Secretary for Defence Procurement</td>
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<td>Parliamentary Secretary for Defence Support</td>
<td>Hon. Dr Mike Kelly AM, MP</td>
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<td>Parliamentary Secretary for Regional Development and Northern Australia</td>
<td>Hon. Gary Gray AO, MP</td>
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<td>Parliamentary Secretary for Disabilities and Children’s Services</td>
<td>Hon. Bill Shorten MP</td>
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<td>Parliamentary Secretary for International Development Assistance</td>
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<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>Hon. Duncan Kerr MP</td>
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<td>Parliamentary Secretary to the Prime Minister</td>
<td>Hon. Anthony Byrne MP</td>
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<tr>
<td>Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion</td>
<td>Senator Hon. Ursula Stephens</td>
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<tr>
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<td>Hon. John Murphy MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Health and Ageing</td>
<td>Senator Hon. Jan McLucas</td>
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<tr>
<td>Parliamentary Secretary for Multicultural Affairs and Settlement Services</td>
<td>Hon. Laurie Ferguson MP</td>
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SHADOW MINISTRY

Leader of the Opposition Hon. Brendan Nelson MP
Deputy Leader of the Opposition and Shadow Minister for Employment, Business and Workplace Relations Hon. Julie Bishop MP
Leader of the Nationals and Shadow Minister for Infrastructure and Transport and Local Government Hon. Warren Truss MP
Leader of the Opposition in the Senate and Shadow Minister for Defence Senator Hon. Nick Minchin
Deputy Leader of the Opposition in the Senate and Shadow Minister for Innovation, Industry, Science and Research Senator Hon. Eric Abetz
Shadow Treasurer Hon. Malcolm Turnbull MP
Manager of Opposition Business in the House and Shadow Minister for Health and Ageing Hon. Joe Hockey MP
Shadow Minister for Foreign Affairs Hon. Andrew Robb MP
Shadow Minister for Trade Hon. Ian Macfarlane MP
Shadow Minister for Families, Community Services, Indigenous Affairs and the Voluntary Sector Hon. Tony Abbott MP
Shadow Minister for Agriculture, Fisheries and Forestry Senator Hon. Nigel Scullion
Shadow Minister for Human Services Senator Hon. Helen Coonan
Shadow Minister for Education, Apprenticeships and Training Hon. Tony Smith MP
Shadow Minister for Climate Change, Environment and Urban Water Hon. Greg Hunt MP
Shadow Minister for Finance, Competition Policy and Deregulation Hon. Peter Dutton MP
Manager of Opposition Business in the Senate and Shadow Minister for Immigration and Citizenship Senator Hon. Chris Ellison
Shadow Minister for Broadband, Communications and the Digital Economy Hon. Bruce Billson MP
Shadow Attorney-General Senator Hon. George Brandis
Shadow Minister for Resources and Energy and Shadow Minister for Tourism Senator Hon. David Johnston
Shadow Minister for Regional Development, Water Security Hon. John Cobb MP

[The above constitute the shadow cabinet]
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<td>Shadow Minister for Environment, Heritage, the Arts and Indigenous Affairs</td>
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<tr>
<td>Shadow Minister for Defence Science, Personnel; Assisting Shadow Minister for Defence</td>
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<td>Bronwyn Bishop MP</td>
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<td>Sussan Ley MP</td>
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<td>Pat Farmer MP</td>
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<tr>
<td>Shadow Parliamentary Secretary Assisting the Leader of the Opposition and Shadow Cabinet Secretary</td>
<td>Don Randall MP</td>
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<tr>
<td>Shadow Parliamentary Secretary Assisting the Leader of the Opposition in the Senate and Shadow Parliamentary Secretary for Northern Australia</td>
<td>Ian Macdonald</td>
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<tr>
<td>Shadow Parliamentary Secretary for Health</td>
<td>Richard Colbeck</td>
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<td>Shadow Parliamentary Secretary for Education</td>
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<td>Shadow Parliamentary Secretary for Defence</td>
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Thursday, 15 May 2008

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

HEALTH CARE (APPROPRIATION) AMENDMENT BILL 2008

First Reading
Bill and explanatory memorandum presented by Ms Roxon.
Bill read a first time.

Second Reading
Ms ROXON (Gellibrand—Minister for Health and Ageing) (9.01 am)—I move:

That this bill be now read a second time.

This very important bill proposes to amend the Health Care (Appropriation) Act 1998. That act was made to permit the Minister for Health and Ageing to determine grants of financial assistance to a state, or to a hospital or other person, for the purpose of providing or paying for health and emergency services of a kind or kinds that are currently, or were historically, provided by hospitals. As such, the act provides the legislative basis for the Commonwealth to pay financial assistance under the Australian health care agreements, including health care grants to the states and territories and Commonwealth own purpose outlays for mental health, palliative care and the Hospital Information and Performance Information Program.

The 2003-08 Australian health care agreements expire on 30 June 2008. At the Council of Australian Governments meeting of 26 March 2008 it was agreed that new health care agreements would be signed in December 2008 and commence on 1 July 2009. This means, in effect, that 2008-09 will be a transitional year in which the new agreements will be developed and implemented.

At that COAG meeting the Commonwealth also agreed to commit an immediate allocation of $1 billion to relieve pressure for 2008-09 on public hospitals. This $1 billion is made up of the indexation of the previous Commonwealth allocation for 2007-08 plus a further $500 million in additional money.

This $1 billion to our public hospitals is a very significant investment by the Commonwealth. It is significant because it is the first step in the long road towards rebuilding our health system after 11 years of neglect and funding cuts. It begins to reverse the trend of decline started under the Liberal government.

It is significant because it is a major part of this year’s health and ageing budget—which for the first time ever will be above $50 billion.

And it is significant because it signals a change in the times—an end of the blame game, an end of an era of using political fights as a smokescreen for neglecting the health system and the beginning of an era of cooperation, allowing us to deliver better health services across Australia in concert with the states and territories.

These proposed amendments are a key step in enabling the Commonwealth to deliver on our commitments to families across the country.

The act currently provides that total grants of financial assistance must not exceed $42.01 billion over the five-year life of the 2003-08 Australian health care agreements.

The bill proposes amendments that will increase the appropriation amount stated in the act by $10.25 billion to $52.26 billion and change the appropriation period stated in the act from five years from 1 July 2003 to six years from 1 July 2003. These amendments will ensure continuity of public hospital and related funding for the 2008-09 financial year, during which the new agree-
ments will be developed and put in place. The terms and conditions of the current Australian health care agreements will be extended for that year to provide a framework for the administration of the payments.

Of the $10.25 billion, $500 million is to be paid to the states and territories before the end of this financial year. Around $9.75 billion, which includes indexation, will be paid to the states and territories during the 2008-09 financial year. The $9.75 billion includes an additional year’s funding for mental health, palliative care and the Hospital Information and Performance Information Program established under these agreements.

By rolling over the terms and conditions of the current agreements for another year, the Commonwealth can start delivering on our commitment to improve health care for all Australians.

There is much work to be done in health. When you are rebuilding a system after 11 years of neglect, that is an inevitable fact. But we have made a very strong start, and we intend to continue as we have begun. This bill and the funding attached to it are a very important part of that long journey.

I commend the bill to the House.

Debate (on motion by Mrs Bronwyn Bishop) adjourned.

PRIVATE HEALTH INSURANCE LEGISLATION AMENDMENT BILL 2008

First Reading

Bill and explanatory memorandum presented by Ms Roxon.

Bill read a first time.

Second Reading

Ms ROXON (Gellibrand—Minister for Health and Ageing) (9.06 am)—I move:

That this bill be now read a second time.


The purpose of the bill is to amend the Private Health Insurance Act and associated legislation. Amendments proposed include private health insurers being required to become a company under the Corporations Act, restricted access insurers being able to include statements about requirements for membership in their constitutions or rules, provisions relating to the regulation of health related business, clarification in relation to corporate products offered by health insurers and provisions to allow pilot projects. Enactment of the proposed amendments will occur at the date of royal assent of the bill.

Regulation of health related business

Proposed amendments will remove the requirement for dual regulation of health related business conducted through health benefits funds by the Private Health Insurance Administration Council, PHIAC, and the Australian Prudential Regulation Authority, APRA. Under the Private Health Insurance Act and the Health Legislation Amendment Act 2007, PHIAC regulates health insurance business and health related business conducted through health benefits funds until 30 June 2008. From 1 July 2008, health related business conducted through health benefits funds was to be subject to dual regulation by PHIAC and APRA. Consultation with industry and PHIAC has revealed that dual regulation will be burdensome and potentially costly.

Consequently, the bill seeks to amend the Corporations Act, the Australian Securities and Investments Commission Act, the Insurance Act and the Insurance Contracts Act to
ensure that health related business that is conducted through a health benefits fund remains solely regulated by PHIAC. The changes will carve out health related business operated through a health benefits fund from being regulated under these pieces of legislation.

**Restricted access insurers**

Another provision of the bill concerns restricted access insurers. Restricted access insurers are private health insurers that limit their membership based on employment, profession, union membership or being part of the Defence Force. The proposed amendments alter the existing technical requirements, in section 126.20(6) of the Private Health Insurance Act for restricted access insurers to specify their eligibility requirements in their constitutions, to allow these requirements to be specified in their constitutions or their operational rules. The proposed amendment will mean that there is greater administrative ease in complying with the Private Health Insurance Act.

There will also be consequential amendments to other provisions including section 185.5(e), section 200.1(1) and section 163.15(2) of the Private Health Insurance Act to include the term ‘rules’ after the term ‘constitution’, allowing restricted access insurers to provide statements relating to their restricted access group in their constitutions or rules.

**Health insurers becoming a ‘company’ under the Corporations Act 2001**

At present, the Private Health Insurance Act allows registration of a private health insurer as a company, or registered body, within the meaning of the Corporations Act. However, registered bodies only need to meet limited directors’ duties, making it more difficult for PHIAC to regulate the industry. The amendment will require all private health insurers to be companies under the Corporations Act. This measure will mean all insurers are under similar accountability standards and governance requirements, improving equity in the regulation of the industry.

Of the 38 currently registered health insurers, four are not presently companies.

All private health insurers must be companies by January 2010 or their registration as a private health insurer will be cancelled. There is also a transitional provision which provides that, in the unlikely event that a body which is not a company applies to be a private health insurer before the commencement of the bill, the application ceases and a new application which complies with the requirement to be a company must be made after commencement.

In order not to impose an undue taxation burden on those private health insurers applying for registration as a company, those insurers will be exempted from stamp duty tax or other taxes relating to things done solely for the purposes of registration.

**Corporate products**

The principle of community rating, as defined in division 55 of the Private Health Insurance Act, ensures everybody has equitable access to health insurance. Private health insurers cannot discriminate based on people’s health or for other reasons including gender, race, or sexual orientation.

It has been put to government that it is arguably a breach of community rating for insurers to offer corporate products at a discount aimed at employees and contractors.

The bill clarifies that offering corporate products is not a breach of community rating, provided these products comply with the discounting provisions in the Private Health Insurance Act. It also makes it clear that a private health insurer may not remove per-
sons from a corporate product when they, or another person on the policy, are no longer a member of the corporate group.

There is no obligation on the insurer to offer a corporate product, at the discount applicable to a corporate product, to a person who is not a member of the corporate group.

Pilot projects

The government is keen to ensure that private health insurers are well placed to offer broader health cover in their products and policies. However, concerns have been expressed that the community rating provisions of the Private Health Insurance Act may prevent the operation of pilot projects. In order to clarify that these projects are permitted, the bill proposes that the Private Health Insurance Complying Product Rules could permit pilot projects as specified in those rules.

I commend the bill to the House.

Debate (on motion by Mrs Bronwyn Bishop) adjourned.

EXCISE LEGISLATION AMENDMENT (CONDENSATE) BILL 2008

First Reading

Bill and explanatory memorandum presented by Mr Bowen.

Bill read a first time.

Second Reading

Mr BOWEN (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (9.13 am)—I move:

That this bill be now read a second time.

The Excise Legislation Amendment (Condensate) Bill 2008 amends, inter alia, the Petroleum Excise (Prices) Act 1987 to facilitate setting the condensate price for excise purposes. The arrangements for setting the price for condensate are the same as the current arrangements for setting the crude oil price for excise purposes.

Full details of the measures in this bill are contained in the explanatory memorandum.

I commend the bill to the House.

Debate (on motion by Mrs Bronwyn Bishop) adjourned.

EXCISE TARIFF AMENDMENT (CONDENSATE) BILL 2008

First Reading

Bill and explanatory memorandum presented by Mr Bowen.

Bill read a first time.

Second Reading

Mr BOWEN (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (9.14 am)—I move:

That this bill be now read a second time.

The Excise Tariff Amendment (Condensate) Bill 2008 amends the Excise Tariff Act 1921 to apply the crude oil excise regime to condensate produced in the North West Shelf project area and onshore Australia. Condensate is a light crude oil extracted from natural gas.

This measure has the effect of removing the current exemption of condensate from the crude oil excise regime.

This measure applies to condensate produced after midnight—Canberra time—on 13 May 2008.

Currently, the crude oil excise applies to crude oil produced from petroleum fields located in the North West Shelf project area—off the coast of Western Australia—and onshore Australia.
The excise is levied as a percentage of the value of crude oil produced from petroleum fields. The first 30 million barrels of crude oil produced from a field is exempt from crude oil excise. This exemption applies to cumulative production from each petroleum field.

The Excise Tariff Amendment (Condensate) Bill 2008 applies the crude oil excise regime to condensate at the rates currently applied to crude oil produced from fields discovered after 18 September 1975.

The top rate of crude oil excise, which will be applied to the value of condensate production, is 30 per cent. This rate applies once annual production reaches just over five million barrels in a year.

This bill introduces provisions to exempt from excise the first 30 million barrels of condensate produced from a field. Production of condensate from a petroleum field prior to midnight on 13 May 2008 will contribute towards meeting this threshold before the crude oil excise becomes payable.

This measure allows the Australian community to share more fairly in the benefits from allowing the extraction of non-renewable energy resources located in the North West Shelf project area and onshore.

The exemption of condensate from the crude oil excise was introduced in 1977 to encourage the development of petroleum resources located in the North West Shelf project.

Since the commencement of the North West Shelf project stakeholders have benefited very substantially from this concession.

As the development of petroleum fields in this region is now reaching maturity, and the world prices for non-renewable energy resources are high, there is no need to retain this generous concession.

Given the similarity between condensate and crude oil, the two commodities should be taxed in a similar manner. It should be noted that the North West Shelf gas project participants will continue to benefit from the 2001 reduction in the top rate of crude oil excise. This concession has already delivered around $1 billion in benefits and acts to offset the impact of the extension of the crude oil excise to condensate.

Imposing excise on condensate will result in a reduction in royalties payable to the Western Australian government. This is because crude oil excise payments are a deductible expense for calculating the offshore petroleum royalty.

The Australian government will provide the Western Australian government with ongoing compensation for the loss of shared offshore petroleum royalty revenue resulting from imposing the crude oil excise on condensate.

The government will make an initial payment of $80 million to the Western Australian government as compensation for reduced revenue in 2007-08. Payments in future years will be adjusted to equal the impact of removing the condensate exemption on royalty payments to Western Australia.

This measure generates substantial annual revenue for the budget, estimated at $2.5 billion over the period to 2011-12. It makes a significant contribution to the government's fiscal discipline.

Moreover, it increases the return to the Australian community for allowing private interests to extract non-renewable energy resources located in the North West Shelf project area and onshore Australia.

Full details of the measures in this bill are contained in the explanatory memorandum.

I would also note that the opposition has expressed some concern about this measure.
and I note in particular the shadow Assistant Treasurer, the honourable member for Stirling, last night in the House expressed a concern that this would lead to higher petrol prices. Of course it is a valid question to ask by my honourable friend the shadow minister as to whether this will increase petrol prices, and he would not be doing his job unless he asked that question. Indeed, the government very thoroughly examined whether this would have any impact on petrol prices. I would be more than happy to facilitate for the opposition a full briefing from Treasury on why this will not have any impact at all on Australian petrol prices.

The removal of this exemption will not lead to increased petrol prices in Australia for the simple reason that petrol prices in Australia are set by international markets and we are a price taker in these markets. Successive Commonwealth governments since 1977 have adopted an import parity pricing policy to determine national pricing levels for motor fuels. This means that the domestic price of petrol in Australia is linked to international petrol prices to ensure local refiners will not sell their product offshore to obtain higher prices and potentially leave no fuel in the Australian market. As I said, I will separately communicate to the shadow minister but, for the benefit of the House, the government is more than happy to facilitate a Treasury briefing on this matter.

Debate (on motion by Mrs Bronwyn Bishop) adjourned.

COMMITTEES
Publications Committee
Report

Mr HAYES (Werriwa) (9.20 am)—I present the report from the Publications Committee sitting in conference with the Publications Committee of the Senate. Copies of the report are being placed on the table.

Report—by leave—agreed to.

MILITARY MEMORIALS OF NATIONAL SIGNIFICANCE BILL 2008
Second Reading

Debate resumed from 19 March, on motion by Mr Griffin:

That this bill be now read a second time.

Mrs BRONWYN BISHOP (Mackellar) (9.21 am)—As I rise to speak to the Military Memorials of National Significance Bill 2008, I would like to begin by pointing out that we are only having two speeches at this point in time—that is, mine and that of the member for Ballarat. The member for Ballarat is going to take maternity leave for her confinement. I know that everyone in the House will wish her well and hope that things go well and that she becomes the mother of a delightful young boy or girl—I do not know whether she knows, but I certainly do not. So we hope all that goes well.

In rising to speak this morning, I say that when I move the amendment that I am going to move it will be out of a sense of sadness, because this memorial in Ballarat began with the great blessing of the then Minister for Veterans’ Affairs, Mr Bruce Scott, who back in 1999 allocated $50,000 as a first grant. Then, in 2003, there was a second grant of $150,000, and then subsequently another grant of $300,000, so the Howard government actually gave half a million dollars for this memorial to be built. But it was the fundraising committee, headed by Mr David Baird OAM, and also the previous member for Ballarat, Mr Michael Ronaldson—now Senator Ronaldson—who worked so hard for this to be something of which the whole nation could be proud. It was a magnificent concept and, indeed, has been executed to become a magnificent memorial.

The whole issue became politicised when the present member for Ballarat, Ms Catherine King, tried to say that she would have the memorial declared a national memorial
under the 1928 National Memorials Ordinance, which governs national memorials, so that it would attract ongoing maintenance funding. The former minister, Mr Bruce Billson, who was equally enormously supportive of the memorial for prisoners of war, took the quite proper position that it could not be declared a national memorial pursuant to that ordinance because that ordinance, in existence since 1928, very specifically sets out that those memorials may only be in Canberra. It then reached a very high political level, with the present Prime Minister intervening and saying that there was a lack of will on the part of the Howard government to declare it a national memorial and thereby have maintenance provided and that he would do anything he could to make sure that it became a national memorial.

That was the state that we went to the election in, with the simple statement that the Howard government minister Mr Bruce Billson had made: that it could not be done under the legislation but that he was very happy to give another form of recognition to the very fine memorial to prisoners of war in Ballarat. Mr Billson was vilified by the then opposition. When the new government was elected the present minister, Mr Alan Griffin—who has at every turn tried to be truthful with veterans and to enact his promises and deliver on them—acted quite out of character with his second reading speech when a bill was introduced entitled the Military Memorials of National Significance Bill 2008, which is cited as:

A Bill for an Act to provide for certain memorials to have the status of Military Memorials of National Significance, and for related purposes—and for which the explanatory memorandum says:

National memorials are recognised under the National Memorials Ordinance 1928 and are restricted to memorials within the Australian Capital Territory. This Bill will recognise the national significance of the Australian Ex-Prisoners of War Memorial in Ballarat and will enable, in the future, other memorials that meet specified criteria, to be recognised as a Military Memorial of National Significance—exactly the situation which the Howard minister Bruce Billson was in favour of bringing about. But no: the present member for Ballarat, Ms King, was insistent that it become a national memorial. The Prime Minister, Mr Kevin Rudd, said it would become a national memorial. The minister said it would become a national memorial and, in his second reading speech, he said:

They—the fundraisers—built this magnificent memorial with fundraising appeals and their own hard work. They sought, and rightly received, significant funding from the previous government in support of their project—which I have just outlined: half a million dollars. Then Mr Griffin said:

...to the lasting frustration of the people who made the Ex-Prisoners of War Memorial possible, the previous government refused repeated requests to recognise it as a national memorial.

The previous government’s position was that it could not be legally done. They argued that national memorials were located here in Canberra and that the ordinance did not allow national status to be given to memorials established outside the Australian Capital Territory.

That is precisely and accurately what the explanatory memorandum to the minister’s own bill says is the position. In other words, Mr Billson’s position as the then Minister for Veterans’ Affairs is vindicated by the publication of the explanatory memorandum to the minister’s own bill. The current minister, Mr Griffin, then went on to say:

The Australian Labor Party, and particularly here I would recognise the efforts of the member for Ballarat, insisted that it could be done, if the government was willing.
That was the contention of the member for Ballarat, who in the lead-up to the election politicised this splendid memorial, which to this point had been bipartisan; everybody had lauded the efforts, recognised the need for the establishment of this memorial and wanted to ensure that its maintenance would be there. But no: Ms King, the member for Ballarat, insisted that it could be done if the government were willing. The minister, Mr Griffin, went on in his second reading speech to say:

And so, in the lead-up to the 2007 federal election, we promised—that is, the Labor opposition promised—that, if we were elected to government, it would be done—that is, the memorial would be established as a national memorial. He then said:

Today, with this legislation, this government keeps that promise.

It does not. He then says:

This legislation will enable the Australian Ex-Prisoners of War Memorial in Ballarat to be declared a military memorial of national significance.

This is not a national memorial, because, exactly as the Howard government Minister for Veterans’ Affairs had said, a national memorial can only be in Canberra. The politicisation of this issue has made it a very sad saga. The minister, in his second reading speech, goes on to say:

This bill will also establish a process, separate to the National Memorials Ordinance 1928, to recognise other military memorials of national significance.

... ... ...

The legislation will enable the Minister for Veterans’ Affairs, with the written approval of the Prime Minister, to declare a memorial to be a military memorial of national significance.

The minister says in his second reading speech that the bill will apply to eligible memorials located outside the Australian Capital Territory and, specifically, will not apply to the establishment of national memorials in the national capital. He further says:

The Commonwealth will not be responsible for funding or maintaining a memorial that has been declared a military memorial of national significance and so the memorial must also be owned or managed by an authority at the state, territory or local government level.

The responsibility for ongoing maintenance or any refurbishment of a declared memorial will remain with the authority that owns or manages it.

I want to make it very clear that the purpose of this bill is to provide an appropriate mechanism to recognise military memorials of national significance and not to allow for any provision or appropriation of financial support to be provided by the Commonwealth.

In the second part of his speech, he recognises that everything the former minister in the Howard government, Mr Billson, said was correct when he said that national memorials may only be in the ACT. The minister’s own bill and the explanatory memorandum say that this is the case. And yet, in his second reading speech—quite uncharacteristically, I must say—he totally misleads the veterans community and the rest of Australia, for that matter, when he says:

The previous government’s position—that is us—was that it could not be legally done—that is, to make it a national memorial. He says it was ‘to the lasting frustration’ of those who raised the money to see it built that it was not to be declared a national memorial. He said:

The Australian Labor Party, and particularly here I would recognise the efforts of the member for Ballarat—

I realise that the member for Ballarat has now come into the chamber—
insisted that it could be done, if the government was willing.

She said, in other words, that a national memorial could be declared under the 1928 ordinance if the government had the will. The bill itself recognises that that is totally and utterly untrue. The minister said in this speech:

... in the lead-up to the 2007 federal election, we—

the Australian Labor Party—

promised that, if we were elected to government, it would be done.

It has not been done and it cannot be done. But the story gets worse. After the budget comes down, one reads, as one does, Budget Paper No. 2. I refer all honourable members and those who are interested to have a look at page 292 of Budget Paper No. 2 and read what is said under ‘Ballarat Ex-Prisoners of War Memorial’, where it has expenses for the Department of Veterans’ Affairs. There are no figures under years 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12. But underneath it says:

The Government will provide $0.2 million over four years to the Ballarat City Council to assist with the maintenance of the Australian Ex-Prisoners of War Memorial. The Government will also declare the Ballarat Memorial a national memorial.

One is entitled to believe Budget Paper No. 2—it is an important part of the budget papers—and yet it is telling an untruth. This is a smoke and mirrors exercise. The budget paper is simply a lie, because the bill introduced by the minister says it cannot be done and, in fact, creates a new criterion. In fact, the bill provides specifically that the Ballart Ex-Prisoners of War Memorial does not have to apply under this new criterion; it will automatically be given that status. If any other memorial outside the ACT is interested and wishes to become designated as a military memorial of national significance, it will have to apply under this bill and meet the criteria set out, which say it must be of an appropriate ‘scale, design and standard’ as well as being ‘dignified and symbolic’, in keeping with the purposes of a war memorial. It must be a memorial for the sole purpose of commemorating ‘a significant aspect of Australia’s wartime history’. It says it must have a major role in community commemorative activities and must observe Commonwealth flag protocols. It will be a matter for the Prime Minister to determine whether those criteria are met and, if he so decides, the Minister for Veterans’ Affairs may then so declare it. However, he also has the power to revoke such a declaration if that memorial falls into disrepair, so the obligation remains on the people who own or manage the memorial to always keep it in good condition; otherwise, its status will be revoked. And that applies to the Ballarat memorial as well.

There were many people who had genuine concerns that this magnificent memorial needed to have an adequate supply of maintenance funding—that it was of such significance that that needed to be done. That was why they wanted to have the national memorial status: because it would have funds automatically flow to it. It cannot; it will not be done. The government has admitted that the previous government was correct. Yet, in the second reading speech, the minister has chosen to mislead the veterans community and to say that the government is delivering on a promise it said it would make, knowing it could not be done.

I find it terribly distressing that we now have a situation where the minister, who usually acts in good faith, has brought in a bill admitting that what the previous government said was correct and yet trying, with smoke and mirrors, to say they were delivering on a promise that could not be delivered upon. Now we read Budget Paper No. 2 and
I see that there is a lie printed in that budget paper. It is at odds with the legislation already introduced. The Australian people are entitled to rely upon budget papers, and this is the first time I have ever, in all the years I have been in this parliament, found this sort of thing to have occurred.

I said right from the beginning that, in moving the amendment that I am moving this morning, I do so with a sense of sadness. I repeat, seeing that the member is now in the chamber, that that sadness arises from the fact that this memorial had its origins under Deputy Speaker Bruce Scott, who is now sitting in the chair. As the then Minister for Veterans’ Affairs, he made the first grant of $50,000 to the fundraising committee to ensure that this magnificent memorial could be built. He then supplied another $150,000 in 2003 furthering the solid commitment that the Howard government always had to this memorial. There was subsequently another $300,000 granted. The magnificent work of David Baird OAM and of his co-chair, former member for Ballarat and now senator, Michael Ronaldson, was all done with altruistic commitment. There was never a political edge. I am sorry to say that that political edge only came about when the member for Ballarat thought that this was a way that she could get a few extra votes by politicising this memorial. This is just unacceptable.

Ms King—Mr Deputy Speaker, I rise on a point of order. I find the statements that the shadow minister has just made offensive and I ask that she withdraw them.

The DEPUTY SPEAKER (Hon. BC Scott)—I think the member for Mackellar might be making a political point but not a personal attack on the member for Ballarat.

Mrs BRONWYN BISHOP—That is precisely what I am doing. What I am saying is that I will move this amendment in sadness for a simple reason. I could not help but overhear the comments from the Clerk to you, Mr Deputy Speaker. The comments are quite accurate: the member for Ballarat is the next person to speak. The fact of the matter is that we are only having this debate this morning to accommodate the member for Ballarat, who, as I said right at the beginning, is going off for maternity leave. We all wish her a very successful and happy time with the birth of her child and we wish that everything goes well. But we are having this debate to accommodate her wish to speak. What I have said is absolutely true—this only became politicised when the member for Ballarat thought it could be a political point to win extra votes.

The amendment that I am intending to move reads as follows:

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

whilst not declining to give the bill a second reading, the House:

(1) notes that the bill creates a new category of memorial—namely a Military Memorial of National Significance;

(2) notes that this new category of memorial, unlike ‘National Memorials’ under the National Memorials Ordinance 1928:

(a) does not attract ongoing maintenance funding;

(b) must not be located in the national capital; and

(c) involves a decision of the Minister and the Prime Minister rather than the bipartisan Canberra National Memorials Committee;

(3) acknowledges as correct the stance of the previous Government that National Memorials, pursuant to the 1928 Ordinance, can only be located in the national capital; and

(4) condemns the Government for:

(a) playing politics with the veteran community;

(b) claiming in the Budget Papers that it will declare the Australian Ex-Prisoners
of War Memorial in Ballarat a national memorial when it has not done so; and

c) misleading the veteran community by claiming to have met an election commitment to declare the Ballarat Memorial a national memorial, when the Government has failed to do so”.

The DEPUTY SPEAKER—Are you moving an amendment?

Mrs BRONWYN BISHOP—I will move it at the end of my presentation and it will then be seconded. I wish to say further that of course there is an ex-POW memorial in the national capital, which is the chapel at Duntroon, which was the original chapel from Singapore. But that in no way detracts from the significance of the memorial in Ballarat. It is one that I hope to go and visit with reverence and with an appreciation of the work that everybody has put into it.

Ms King—I don’t think you will be welcome now.

Mrs BRONWYN BISHOP—I am disappointed to hear an interjection from the member for Ballarat, who says, ‘You won’t be welcome now.’ I find once again that this is the politicisation of a memorial that does not deserve to be politicised. It began with bipartisan support. It is something that needs to be restored and have that bipartisan support. It needs to be settled that there was no frustration caused by the previous government as the minister said in his speech. I read again what he said:

... to the lasting frustration of the people who made the Ex-Prisoners of War Memorial possible, the previous government refused repeated requests to recognise it as a national memorial.

That is what the minister said in his second reading speech. He then said:

The previous government’s position was that it could not be legally done. They argued that national memorials were located here in Canberra and that the ordinance did not allow national status to be given to memorials established outside the Australian Capital Territory.

He then said:

The Australian Labor Party, and particularly here I would recognise the efforts of the member for Ballarat, insisted that it could be done, if the government was willing.

The member for Ballarat was quite wrong. The minister has confirmed she was quite wrong. The explanatory memorandum to the bill introduced by the minister has shown that the member for Ballarat was quite wrong and that the stance taken was one of support, by the giving of $500,000, that the will of the Howard government to give ongoing support for maintenance was there and that at all times there was nothing but goodwill. The reason I stand here to point these out today is that it is totally out of character, from my point of view, to see the minister use spin, smoke and mirrors, and quite frankly deliberately untrue material in the second reading speech, which is an important part of the record if ever it needs to be looked at under the legislation that pertains to what courts may view.

And then to pick up Budget Paper No. 2—the condemnation lies with the Rudd government. It lies with the Treasurer, Mr Swan, because in his Budget Paper No. 2 there is a simple lie. Therefore, it is necessary to have this matter clarified and to have it aired in this place so that there can be proper reverence, so that there can be proper acknowledgement given to the work of the people who in fact brought this magnificent memorial about, so that the new category can become a successful one and so that those memorials that may wish to be included under the new legislation will be fairly appraised.

I do have some concern that it is only the Prime Minister of the day who will have to the right to say yea or nay. I do not find that to be a satisfactory outcome either. But I do
hope that there will be some guidelines produced, which will mean that people who apply can have some confidence that it will not be politicised by the Prime Minister. I do think that the need for this new category—one was foreshadowed by the previous Minister for Veterans’ Affairs, Mr Billson—will be seen to have been suggested in good faith, as it was. I hope that the member for Ballarat, who has been proven in her statements to be wrong, will accept that with good grace. And I hope to see that when people come with good grace, as I intend to do, there will be no attempt to politicise it further by telling me when I come that I will not be welcome because I have aired this matter in the parliament. I would find that totally unacceptable.

I will repeat: we are debating this today to accommodate the needs of the member for Ballarat. Certainly we wish her good health and a good outcome for her confinement. And when I do come to her electorate to visit the memorial I hope that we can perhaps visit together and pay the proper reverence to that memorial in a proper manner. I therefore move:

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

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

(1) notes that the bill creates a new category of memorial—namely a Military Memorial of National Significance;

(2) notes that this new category of memorial, unlike ‘National Memorials’ under the National Memorials Ordinance 1928:

(a) does not attract ongoing maintenance funding;

(b) must not be located in the national capital; and

(c) involves a decision of the Minister and the Prime Minister rather than the bipartisan Canberra National Memorials Committee;

(3) acknowledges as correct the stance of the previous Government that National Memorials, pursuant to the 1928 Ordinance, can only be located in the national capital; and

(4) condemns the Government for:

(a) playing politics with the veteran community;

(b) claiming in the Budget Papers that it will declare the Australian Ex-Prisoners of War Memorial in Ballarat a national memorial when it has not done so; and

(c) misleading the veteran community by claiming to have met an election commitment to declare the Ballarat Memorial a national memorial, when the Government has failed to do so”.

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

Mr Morrison—I second the amendment.

Ms KING (Ballarat) (9.48 am)—I rise to speak on the Military Memorials of National Significance Bill 2008. I do regret very much the speech that the shadow minister, the member for Mackellar, has chosen to make in this place. The reason that we are here this morning is not that I want this memorial recognised as a national memorial, not that the people of my electorate want this memorial recognised but that the Australian ex-prisoners of war community want this memorial recognised, and there is some urgency in doing so. Yes, it is true that I am going on maternity leave shortly, but the urgency is about the age of the ex-prisoners of war community. Every day we are losing more and more of them and I do not want to see us lose any more before this is recognised. That is what the urgency of getting this bill through this place is about.

The bill will allow the government to officially designate the ex-prisoner of war memorial, which is located in Ballarat but is an
Australian ex-prisoner of war memorial, as a national memorial. The previous government stated that the only way in which this could be done was if the ordinance to which the shadow minister referred was repealed. That is not what we are doing today. Today we are debating new legislation which sets up new criteria under which memorials outside of Canberra can be recognised. And one of the first to be recognised is the Australian ex-POW memorial located in my electorate, in Ballarat.

Neither the minister nor I have made any statements that are incorrect about the previous government’s position. They could have introduced this very legislation, but they did not because they did lack the political will to actually recognise and do something about the will of the Australian ex-prisoners of war community, who desperately wanted this memorial recognised. The Australian Ex-Prisoner of War Memorial in Ballarat will be the first designated national memorial outside of Canberra. As such, it is an important part of the way that we as a nation remember and commemorate the sacrifice of our men and women who served us in war.

The bill also sets out the steps required for a war memorial to be given national significance. These steps will ensure that the memory and achievements of our soldiers will be remembered in an appropriate way.

Australia’s military history is full of epic victories and defeats. The names we remember—Gallipoli, Villers-Bretonneux, Tobruk, Milne Bay, Kokoda and Long Tan—all tell of great struggle. They speak of courage and sacrifice, of death and destruction, of mates and enemies, of blunders and triumphs. These names that we speak every year on Anzac Day and again on Remembrance Day are markers of moments in our history that we choose never to forget—that we remember. Whether we remember parents, aunts and uncles or husbands and wives, we do remember. We remember the people that fought for Australia for a number of reasons. There is the personal pain of memory, the pangs of loss that many Australians still feel. There is a general feeling of sadness and pride in the memory of the men and women who defended this country. Australia stops every year to remember the dawn of 25 April.

We remember certain battles because of the stories of bravery and hardship that surround them. We remember certain places because they have tangible connections to the people that we remember. The Menin Gate at Ypres, Anzac Cove and the cemeteries of the Western Front are places where we site our memories. The War Memorial in Canberra is another such place where we choose to remember the men and women who gave their lives. From these sites we can see the absolute importance of having a physical space where memory can be located.

These sites of national remembrance serve as beacons for the community that are tangible relics of our deeply felt emotions, but Australia’s memories are not only sited here in Canberra. They are located in the kitchens and backyards of our nation. They are part of the fabric of our towns, our suburbs and our cities. The men and women who fought came from every part of this country, no more so than the country towns of Australia. There is much to be said for extending the significance of national memory to places outside the formal avenues of the national capital. Canberra’s memorials are beautiful, poignant places, but in recognising the way that the Australian military experience touched the whole of the country we should be able to remember at memorials of national significance outside the capital—and these places, very few in number, should not have any less
significance than Canberra’s national memorials.

This bill allows memorials of national significance to be designated, and it lays down very strict and very narrow criteria under which they can be recognised as such. The Australian Ex-Prisoners of War Memorial in my electorate will be the first example of a memorial of national significance being designated outside of Canberra under this new legislation. The Australian Ex-Prisoners of War Memorial recognises the experience of a unique group of veterans. It recognises a history and the stories that go beyond a specific battle or a specific war. These stories are often untold, the experiences kept from younger generations, the people who experienced them unwilling or unable to relive the trauma.

The stories are often not ones of loud roaring battle; they are stories of endurance against horrible conditions and stories of solidarity, and they are an expression of the great ability of humans to fight and struggle to keep their humanity in the face of barbarity, deprivation and, in the case of some 8,000 Australians, terrible deaths. They are melancholy stories. The Sandakan death march, the Burma railway and Changi form part of this litany of human sadness. They are also stories of quiet dignity and courage. Above all, they are stories that must be remembered. They are the stories of our ex-prisoners of war.

It is important that we as a society continue to remember the people who suffered behind the barbed wire of Australia’s enemies through our conflicts, the Ballarat RSL, the Australian POW Association, the local community and the former federal member for Ballarat, Michael Ronaldson, banded together to build a memorial in Ballarat that respectfully and reverently commemorates the contribution of every Australian prisoner of war. Every Australian who has been held prisoner during wartime by the enemy has their name in a place of honour. In a tranquil setting it is possible for everybody to contemplate the lives of people who gave so much in the defence of their country.

There are many events in our nation’s history that we need to remember better, and the experience of our POWs in wars ranging from the Boer War to the Korean War needs to be publicly acknowledged. The memorial in Ballarat is a step towards recognising their contribution to the war effort. Prisoners of war suffered horribly, yet their experiences have not gained the same amount of attention that many others have. By way of an example, everyone in Australia remembers the terrible, tragic loss of the HMAS Sydney, with good reason. But Australia during World War II suffered a worse maritime tragedy which is not nearly so well remem-
The Montevideo Maru, a Japanese transport ship, was sunk by an American submarine on 1 July 1942. Unbeknownst to the Americans—and the Japanese gave no indication—the ship was carrying over 1,000 Australian prisoners of war in its hold. The ship went down, with no survivors. This remains Australia’s greatest maritime loss of life. The memorial in Ballarat commemorates this event. It lists the names of those involved and it provides a place for people to commemorate the brave men and women who died.

The memorial in Ballarat does not take away from the national POW memorial here in Canberra, the Changi Chapel. That is a very important memorial. It plays a very important role in recognising the terrible circumstances experienced by POWs in Changi. However the chapel, while an important part of the War Memorial, does not cover the full gamut of POW experience.

The Australian Ex-POW Memorial in Ballarat provides for every Australian POW. It lists all 35,000 names of those who were prisoners of war. The memorial in Ballarat teases out this strand of Australia’s military history so that we can see it in its full detail. The 35,000 names on the walls of the memorial tell of a continuity of experience from the Boer War to the perilous conditions behind German lines in the First World War, the camps in North Africa, the deprivation and brutality experienced by Australians captured by the Japanese army in the Pacific, and the experience of Korean War veterans in North Korean camps.

There is a need for a more inclusive national memorial for prisoners of war because their experiences were unique and need to be recognised as such. Their wars were not fought with bullets. They were fought in much simpler ways. They were fought by keeping their dignity, by staying alive, by doing every single thing they could to keep their mates alive. Their wars were fought by surviving back-breaking labour, by attempting to escape at every turn. Their weapons were their stoicism, their humour and their mates.

Remembrance is an important strand in the life of the Australian national community. As the events of Anzac Day continue to show every year, Australians want to remember the people who fought and died for them on the battlefields of the 20th century. There is a real need to understand and commemorate that experience. There is a tangible sense of the legacy that these men and women left for Australians to take up as we move into the future.

It is proper that we make it possible for our national remembrance to be undertaken outside Canberra. Australians remember their fallen all around the world. They remember them in Gallipoli in record numbers. They remember them as they walk the Kokoda Track. Australians also remember their fallen in the small local memorials, in the larger ones in our capital cities, in their churches and in their backyards. Remembrance can not be confined to one place, nor should it be. The Ex-POW Memorial in Ballarat is one such place where Australians remember the people who served them.

This memorial is unique. It lists the names of every POW who was ever captured by the enemy in all the conflicts in which Australians fought. No other memorial in the country does this. The memorial is of significant size, befitting the huge number of people that it seeks to commemorate, and I really do look forward to the shadow minister coming to visit and I will very much welcome her when she comes to see just how magnificent a memorial it is.

It is set amongst the Ballarat Botanical Gardens alongside Lake Wendouree and just
The memorial in Ballarat was built as a result of the hard work of a number of community organisations including: the Ballarat RSL; the Australian POW Association; the City of Ballarat; the former federal government, which contributed a substantial amount of funding; and the entire Ballarat community as well as the Victorian state government. I would particularly like to thank David Baird, OAM, an extraordinary man who, I am very proud to say, I would count amongst my friends. He is also someone, I am proud to say, who will be delighted that this legislation is going through the House. As a POW himself, his experiences of life have been quite extraordinary. There is also Les Kennedy, OAM, and Liz Heagney, who did all of the hard work to compile the 35,000 names. I want to thank all of them for their incredible efforts over many years to construct the memorial.

The memorial is a place where all Australians can come and pay their respects to people who gave so much in the defence of our nation. Many of the names are recognisable. Many of them tell the amazing stories that exist within the families of the 35,000 men and women who have served this country and who were made prisoners of war. In my view, no other place in Australia plays the same role in gathering together the full range of POW experiences into one place. It is for this reason that we should recognise the Australian Ex-Prisoner of War Memorial in Ballarat as nationally significant. For those reasons I support this bill. I commend the bill to the House and I really do hope that, despite the amendments that have been moved, those in opposition both here and in the other place have the confidence to do the same.

Debate (on motion by Mr Farmer) adjourned.

COMMITTEES
Treaties Committee
Report
Mr KELVIN THOMSON (Wills) (10.06 am)—On behalf of the Joint Standing Committee on Treaties I present the committee’s report entitled Report 90—treaties tabled on 12 March 2008.

Ordered that the report be made a parliamentary paper.

Mr KELVIN THOMSON—Report 90 contains the committee’s findings on five treaty actions originally tabled in the 41st Parliament. Consideration of these treaty actions lapsed on the dissolution of the 41st Parliament prior to the committee presenting its report. After the election the treaties were again tabled in parliament, on 12 March this year. This is the first report I have presented as chair of the treaties committee in the 42nd Parliament and in presenting this report I would like to take the opportunity to acknowledge the input and contribution of the previous committee, its former chair, the member for Boothby, and the former deputy chair, the former member for Swan, Mr Kim Wilkie. I would also like to acknowledge the contribution made to the Joint Standing Committee on Treaties by the honourable member for Lyons, Dick Adams, who served continuously on the committee from its es-
establishment in 1996 until the end of the previous parliament.

The committee found all five treaties reviewed to be in Australia’s national interest. The Patent Law Treaty will harmonise and simplify requirements for patent administration on a worldwide basis, standardising procedures, establishing legal certainty and safeguards and making the patent administration process more user friendly and accessible. By acceding to the treaty, Australia has the opportunity to provide a positive example to our treaty partners and to enhance our reputation as a leading member of the intellectual property community in the region.

The second treaty is the Singapore Treaty on the Law of Trademarks, which will revise and update the Trademark Law Treaty and establish consistent procedures for registering trademarks, including non-traditional marks such as holograms, three-dimensional marks, and colour, taste and feel marks. The treaty will provide lower costs, greater certainty and improved protection for trademark applicants.

Third, the constitutional amendments to the Convention Establishing the World Intellectual Property Organisation provide constitutional reforms to the term of the director-general, meeting arrangements for the General Assembly and the formalisation of the unitary contribution system. Australia has strongly supported the proposed amendments, which will simplify the existing international intellectual property system.

Fourth, the Tonga Air Services Agreement will provide a binding legal framework to support direct air services between Australia and Tonga. Both countries will be required to allow the designated airlines of the other country to operate scheduled air services on specified routes between the two countries. The agreement includes reciprocal provisions on safety, customs, regulation and the commercial aspects of airline operation, including the ability to establish offices in the territory of the other party and to sell fares to the public.

The committee expresses its concern in the report that there are up to 40 outstanding air services agreements signed by Australia but not yet brought into force. It is understood that the department is currently reviewing and prioritising a number of these agreements for finalisation. The committee expects future air services agreements to be tabled in a more timely manner.

Last, but certainly not least, Australia’s withdrawal of its exemption for the use of mirex under the Stockholm Convention on Persistent Organic Pollutants will see Australia contribute to the elimination of toxic and persistent chemicals. Mirex is one of 12 persistent organic pollutants listed for action under the convention. It was formerly used to control termites, and Australian agencies have found alternative chemical products. By withdrawing its exemption Australia will demonstrate its commitment to protecting human health and the environment and supporting effective approaches to eliminating the production and use of persistent organic pollutants.

The committee supports all five agreements and recommends that binding treaty action be taken. I move:

That the House take note of the report.

The DEPUTY SPEAKER (Hon. BC Scott)—In accordance with standing order 39(c), the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting.
**Senate’s amendments—**

(1) Clause 2, page 2 (table item 8), omit the table item, substitute:

| 8. | Schedule 1, items 38 and 39 | The day on which this Act receives the Royal Assent. |
| 9. | Schedule 1, item 39A | At the same time as the provision(s) covered by table item 3. |
| 10. | Schedule 1, items 40 to 43 | The day on which this Act receives the Royal Assent. |
| 12. | Schedule 1, items 44 to 46 | The day on which this Act receives the Royal Assent. |
| 14. | Schedule 1, items 47 and 48 | The day on which this Act receives the Royal Assent. |

(2) Schedule 1, items 3 to 5, page 3 (lines 13 to 22), omit the items, substitute:

**3 Subparagraph 9A(1)(b)(ii)**

After “telecommunications device”, insert “or particular telecommunications devices”.

**4 Paragraph 9A(1A)(b)**

After “telecommunications device”, insert “or telecommunications devices”.

**5 Subsection 9A(1A) (note)**

After “telecommunications device”, insert “or telecommunications devices”.

(3) Schedule 1, item 6, page 3 (lines 26 and 27), omit “any telecommunications device”, substitute “a telecommunications device or telecommunications devices identified in the warrant”.

(4) Schedule 1, item 6, page 3 (line 28), after “sufficient to identify the”, insert “telecommunications device or”.

(5) Schedule 1, item 7, page 3 (line 31) to page 4 (line 2), omit the item, substitute:

**7 Subsection 9A(3)**

After “telecommunications device”, insert “or telecommunications devices”.

(6) Schedule 1, items 8 to 10, page 4 (lines 3 to 11), omit the items, substitute:

**8 Subparagraph 11B(1)(a)(ii)**

After “telecommunications device”, insert “or particular telecommunications devices”.

**9 Paragraph 11B(1A)(b)**

After “telecommunications device”, insert “or telecommunications devices”.

**10 Subsection 11B(1A) (note)**

After “telecommunications device”, insert “or telecommunications devices”.

(7) Schedule 1, item 11, page 4 (lines 15 and 16), omit “any telecommunications device”, substitute “a telecommunications device or telecommunications devices identified in the warrant”.

(8) Schedule 1, item 11, page 4 (line 17), after “sufficient to identify the”, insert “telecommunications device or”.

(9) Schedule 1, item 12, page 4 (lines 20 to 22), omit the item, substitute:

**12 Subsection 11B(3)**

After “telecommunications device”, insert “or telecommunications devices”.

(10) Schedule 1, items 13 and 14, page 4 (lines 23 to 28), omit the items, substitute:

**13 Paragraph 16(1)(aa)**

After “telecommunications device”, insert “or telecommunications devices”.

**14 Paragraph 16(1A)(b)**

After “telecommunications device”, insert “or telecommunications devices”.

**14A Paragraph 16(2)(a)**

After “telecommunications device”, insert “or telecommunications devices”.

**14B Paragraph 16(2)(b)**

Omit “that device”, substitute “the device or devices”.

(11) Schedule 1, item 20, page 5 (line 33) to page 6 (line 1), omit “any telecommunications device”, substitute “a telecommunications device or telecommunications devices identified in the warrant”. 

CHAMBER
(12) Schedule 1, item 20, page 6 (line 2), after “sufficient to identify the”, insert “telecommunications device or”.

(13) Schedule 1, item 21, page 6 (lines 4 and 5), omit the item, substitute:

21 Subparagraph 46A(1)(d)(ii)
After “telecommunications device”, insert “or particular telecommunications devices”.

(14) Schedule 1, items 23 to 25, page 6 (lines 8 to 16), omit the items, substitute:

23 Subsection 46A(1) (note)
After “telecommunications device”, insert “or telecommunications devices”.

24 Subparagraph 46A(2)(a)(ii)
After “telecommunications device”, insert “or particular telecommunications devices”.

25 Subsection 46A(3)
After “telecommunications device”, insert “or telecommunications devices”.

(15) Schedule 1, item 31, page 7 (lines 19 and 20), omit “any telecommunications device”, substitute “a telecommunications device or telecommunications devices identified in the warrant”.

(16) Schedule 1, item 31, page 7 (line 25) to page 8 (line 3), omit subsection 59A(3).

(17) Schedule 1, item 35, page 8 (lines 10 to 12), omit the item, substitute:

35 Paragraph 60(4)(aa)
After “telecommunications device”, insert “or telecommunications devices”.

(18) Schedule 1, item 37, page 8 (lines 15 to 17), omit the item, substitute:

37 Paragraph 60(4A)(b)
After “telecommunications device”, insert “or telecommunications devices”.

(19) Schedule 1, page 8 (after line 23), after item 39, insert:

39A Paragraph 60(5)(b)
After “a particular device”, insert “or particular devices”.

(20) Schedule 1, page 9 (after line 4), after item 43, insert:

43A Paragraph 100(1)(ec)
Repeal the paragraph, substitute:

(ec) in relation to all named person warrants issued during that year on application made by each agency or authority:

(i) the total number of telecommunications services intercepted under those of the warrants that did not authorise the interception of communications made by means of a telecommunications device or telecommunications devices identified in the warrant; and

(ii) the total number of telecommunications services intercepted under those of the warrants that did authorise the interception of communications made by means of a telecommunications device or telecommunications devices identified in the warrant; and

(iii) the total number of telecommunications devices by means of which communications were intercepted under those of the warrants that did authorise the interception of communications made by means of a telecommunications device or telecommunications devices identified in the warrant; and

(21) Schedule 1, page 9 (after line 10), after item 46, insert:

46A Paragraph 100(2)(ec)
Repeal the paragraph, substitute:

(ec) in relation to all named person warrants issued during that year:

(i) the total number of telecommunications services intercepted under those of the warrants that did not authorise the interception of communications made by means of a telecommunications device
or telecommunications devices identified in the warrant; and

(ii) the total number of telecommunications services intercepted under those of the warrants that did authorise the interception of communications made by means of a telecommunications device or telecommunications devices identified in the warrant; and

(iii) the total number of telecommunications devices by means of which communications were intercepted under those of the warrants that did authorise the interception of communications made by means of a telecommunications device or telecommunications devices identified in the warrant; and

Mr McCLELLAND (Barton—Attorney-General) (10.11 am)—I move:

That the amendments be agreed to.

I will make a few brief comments. The amendments that were agreed to by the Senate respond to recommendations made by the Senate Standing Committee on Legal and Constitutional Affairs. They do so by removing the provisions in the bill that would have enabled devices to be added to device based named person warrants after they are issued and, secondly, strengthening the reporting requirements of the Telecommunications (Interception and Access) Act by requiring more detailed reporting in relation to services intercepted under a named person warrant as well as additional reporting on the total number of devices intercepted under a named person warrant.

This legislation is complex. It involves bringing our law enforcement techniques into line with modern technology, and having regard, in particular, to how those who would threaten the safety of Australians, either by committing crimes or through potential acts of violence motivated by reasons of political or religious extremism, are dealt with in the context of their access to and use of these technologies on the one hand and, on the other hand, providing for the legitimate privacy interests of Australians.

The other issue that the legislation needs to carefully balance is the realisation that increasingly we are connected with the rest of the world necessarily electronically, through the internet in particular, with the need to realise that we—that is, our government agencies, be they military, intelligence or law enforcement or agencies dealing with critical infrastructure—are vulnerable to electronic interference and, indeed, electronic espionage and electronic attack, whether that be by way of the unleashing of viruses or the unleashing of trojans that are then placed in the recipient computer to feed back on an ongoing basis information that is contained in those computers.

It would be naive in the extreme for legislators—and indeed commentators and people in business—not to recognise that reality. There would be very few people, I believe, who did not have a problem on their home computer at least, if not their office or business computer, with a virus and who did not do a basic computer check to discover that there had been any number of ‘cookies’—to use the vernacular—planted on their computer. It is a reality. In the context where 90 per cent of critical infrastructure in Australia is privately owned, it is entirely reckless for us to ignore that that infrastructure should be protected from the prospect of electronic attack. These are complicated issues. The bill as amended by the Senate provides for our intelligence and law enforcement agencies, that is, internet supervisors of those agencies, to have access to communications coming into those agencies for the purpose of determining whether their internet network has been the subject of attack, and addressing
that. That is important and supported by the Senate.

But where we need to go in terms of work in progress involves balancing what is a clear and pressing need to have regard to measures that are required in the private sector to enable the private sector, particularly those corporations that have or are involved in the administration of critical infrastructure, to have sufficient means to protect their infrastructure and indeed their interconnectivity and their own internal networks from electronic attacks. So, the purpose of my comments is to indicate that this is a work in progress for the purpose of further consideration over the next 18 months. (Time expired)

Question agreed to.

BUSINESS
Rearrangement

Mr McCLELLAND (Barton—Attorney-General) (10.17 am)—I move:

The consideration of government business order of the day No.3, Standing Committee on Infrastructure, Transport, Regional Development and Local Government—Appointment of supplementary member—be postponed until a later hour this day.

Question agreed to.

RESERVE BANK AMENDMENT (ENHANCED INDEPENDENCE) BILL 2008
Second Reading

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

That this bill be now read a second time.

Mr NEUMANN (Blair) (10.18 am)—Yesterday I was talking about the impact of monetary policy. The member for Wentworth made a significant contribution—if I can put it that way—to the debate yesterday. He is the same person who, in 2006, said that we were overdramatising interest rate rises. He also said that interest rate rises were a fairy story. My predecessor in the seat of Blair actually gained national notoriety during the federal election campaign when he described interest rate rises as something to the political advantage of the coalition government of the time.

But I want to talk about the contribution made by the member for Wentworth yesterday. I had a look at the Reserve Bank Act 1959. Section 25 of that act says that the Treasurer shall terminate the appointment of the governor or deputy governor on the following grounds—if that person:

(a) becomes permanently incapable of performing his or her duties; or
(b) engages in any paid employment outside the duties of his or her office; or
(c) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his or her creditors or makes an assignment of his or her salary for their benefit ...

What we are seeking to do here is, of course, change that and provide that the Governor-General may terminate the appointment of the governor or deputy governor. The amendment bill under section 25(8) specifies those same grounds. But it says, in a machinery provision, that if you want to use those grounds to terminate then you have to go through both houses of parliament. So, in that regard, what we are doing here is effectively making a machinery provision.

What the member for Wentworth did not say at all yesterday is that there were amendments to section 24 of the Reserve Bank Act 1959. Those amendments say:

(l) The Governor and the Deputy Governor:

(a) are to be appointed by the Treasurer; and
(b) shall be appointed for such period, not exceeding 7 years, as the Treasurer determines but are eligible for reappointment; and
(c) hold office subject to good behaviour.
If you were listening to the contribution of the member for Wentworth yesterday, you would think that the appointment of the Governor and Deputy Governor of the Reserve Bank was actually akin to the appointment of a Supreme Court judge in the United States; that you could not get rid of them at all except on very specific grounds. He did not talk about the protection of section 24 at all in his contribution—that is, the appointment could be for a specified period not exceeding seven years and that those particular persons only hold office subject to good behaviour. That is quite significant. What I am saying here is that the only spin in relation to this matter is actually coming from the member for Wentworth.

We have taken significant steps, and the Reserve Bank has agreed with them. We now have the situation where, in addition to greater transparency and accountability as a result of this legislation, the Reserve Bank releases minutes of each central bank board meeting and releases a public statement in respect of interest rates irrespective of any adjustment decisions made by the board. No longer does the Reserve Bank only provide statements when they adjust the official cash rate. The increased transparency helps business people and working families to understand the reasons behind monetary decisions which have a real impact on their lives. Furthermore, future Reserve Bank board appointments will only be made through a registry compiled by the Secretary to the Treasury and the Reserve Bank governor from which the Treasurer will make a choice.

These are significant changes we are making. As I said yesterday, this is all about perception. It is about improving the public’s perception and it is about more arm’s-length aspects of monetary policy. It is also about enhancing the reputation of the Deputy Governor and the Governor of the Reserve Bank, thereby enhancing the public’s perception of the openness of government and the openness of the Reserve Bank. It is about improving the public standing. These reforms are important and I believe they herald a new era of independence and transparency in monetary policy. They are good amendments and I think the member for Wentworth is wrong in his legal analysis of the legislation. I would commend to him section 24 of the Reserve Bank Act. I think he needs to have a good look at both the bill and the act to see that substantive and machinery provisions are different matters entirely.

I commend the bill to the House and commend the Treasurer for what he is doing. This is a commitment of the new government. It is an election commitment. We have said that we believe it is important that monetary policy be effectively used by the Reserve Bank. We think this is important in fighting inflation and we are not leaving it up to the Reserve Bank board alone. The budget that was handed down just a couple of nights ago goes towards helping working families and individuals in my constituency in Blair. That budget will make an important contribution to help them in their fight against inflation and help them in their domestic budgets. I commend the bill to the House and I congratulate the Treasurer for what he has done in this regard.

Mr MORRISON (Cook) (10.25 am)—The Reserve Bank Amendment (Enhanced Independence) Bill 2008 is a show bill that smacks of overcompensation for Labor’s very ordinary record on Reserve Bank independence. The shadow Treasurer has already made the point well about the failings of this bill and how, in his rush to symbolism on this issue, the Treasurer has dropped the ball. This bill screams, ‘He doth protest too much.’ The bill presents us with the absurd situation where we could have the Reserve Bank paralysed by the Treasurer’s ill-thought-through process where an incapac-
tated governor could continue to serve in the role. Or worse, according to the Parliamentary Library’s Bills Digest, the consequence of these amendments is that there is no longer any ability of either the government or the parliament to dismiss the governor or deputy governor on the grounds of misbehaviour.

The shadow Treasurer has also brought to our attention the poor record of Labor in their commitment to the independence of the Reserve Bank. In February of this year, the Prime Minister said, in an interview with Kerry O’Brien, ‘Kerry, if you accept the independence of the Reserve Bank, which we have done as a matter of policy for a long, long time.’ I do not know what constitutes a long time in the Labor Party but it clearly cannot extend to 1996 when the then Leader of the Opposition, Kim Beazley, was so committed to the policy of independence of the Reserve Bank that he was prepared to take the government to the High Court over the former Treasurer’s statement on monetary policy. That policy has done more to enhance the transparency and independence of the Reserve Bank than any other measure since the Reserve Bank Act itself. And the long, long time cannot extend to the time of the former Treasurer and Prime Minister Paul Keating, who boasted of having the Reserve Bank in his pocket. All I can conclude is that, to quote the member for Kingsford-Smith, the Prime Minister and the Treasurer must have a ‘short memory’. I will spare the House the musical version because the member for Kingsford-Smith does it much better.

I wish to commend the amendments flagged by the shadow Treasurer to take further the process established by the previous government with more regular appearances by the Reserve Bank Governor before the House of Representatives Standing Committee on Economics. The coalition do not need a show bill to demonstrate our commitment to the independence of the Reserve Bank. Our record speaks for itself. This is a bill, not unlike the budget, intended to send a message to the community to confect a perception that the government is trying to create, while actually doing nothing at all to address the object it pretends to address.

This is a political tactic that has been developed by Labor—which I have observed over some time—at a state level for over a decade, drawing on the experiences of their counterparts in the UK, where politics always triumphs over policy. The former New South Wales Premier Nick Greiner has a great saying: ‘Labor are great at politics but lousy at government.’ They are a government that understand the political tactic of seeking to create or exaggerate an enemy in order to better create a perception about their own position. They are experts at creating public alarm and talking up the issue regardless of the impact such reckless actions may have. The goal is never to solve the problem but rather to own the problem and to define themselves in the process. This may be very clever politics but it is very bad government. If you need any convincing, take a look at my home state of New South Wales, where such an approach has dragged the state to its knees. The political masterminds who have kept Labor in power for so long in that state are now here in Canberra running the same operation.

The Prime Minister is the Bob Carr of national politics, and the people of Australia can expect the same results. One problem the government have, which they do not want to talk about, is that they lack economic credibility—and they know it. The public may have accepted many claims from the now government at the last election, but one puppy they never bought was that Labor were better economic managers. While they would never admit it, Labor understand that
the public simply does not trust them with their money, and that they never have. Labor also know that they are so conflicted in their ability to run an economically responsible agenda that instead of actually doing it they will fake it—fake it till you make it. This is what this bill is designed to achieve. This is a bill that the government claims is needed to improve the independence of the Reserve Bank to place downward pressure on interest rates. My question to those opposite is: where is the evidence to suggest there is a problem with a lack of independence in the Reserve Bank, and that this in some way has placed upward pressure on interest rates?

Remember that this is a Reserve Bank which, under the previous government, put interest rates up during the last election. What greater test of independence could there be than that? To answer this question, rather than those opposite having to rely on my advice I thought I would quote someone whom they may listen to—the former Governor of the Reserve Bank, Bernie Fraser. Mr Fraser had quite a lot to say about the topic of independence of the Reserve Bank. In a speech to a central banking conference in Karachi in November 2004 Mr Fraser gave an address titled ‘Central bank independence: what does it mean?’ In the speech Mr Fraser argued that price stability was the core purpose of a central bank and, more specifically, its purpose was to counter two potential threats that require their independence—firstly, the tendency for policymakers to push the economy to run faster and further than its capacity limits and, secondly, the temptation for governments to incur deficits and fund those from central bank borrowings.

The second threat is clearly not a problem for this government, having inherited the strongest set of books in our history. There was no need to pay down $96 billion when they came to office. There is no real effort required to generate the surplus in their budget which they boast of now in this place. How different was the situation that confronted this government from the situation that confronted the member for Higgins, our greatest ever Treasurer, back in 1996. However, on the first threat, it is true that the Australian economy has been strong—and thankfully so—and it is true that in recent times the Reserve Bank has taken the decision to raise interest rates. However, is the government suggesting that this has been in some way a result of a failure of the independence of the Reserve Bank in taking this action?

On this matter of rate rises it is also good to get some perspective, especially as we know of the government’s use of clever language to exaggerate problems. Twelve rate rises and 20 warnings all sound very dramatic, but let us look at the facts as I remind the House of some comparisons I made earlier in this place. Let us look at the quantum of these rate rises and the period of time over which the rates rose. Looking at the standard variable rate, under the coalition in April 2002 interest rates were 6.05 per cent. In November 2007, at the time of the election, they had risen to 8.5 per cent. That is a 2 ½ per cent increase over five years and seven months—67 months. This was the only period of rate increases over the 11 ½ years of the coalition government.

Contrast that with Labor. Firstly, in March of 1985 interest rates were 11.5 per cent and in just 13 months they went up to 15.5 per cent—that is a four percentage point increase. Secondly, in June 1988 they were at 13.5 per cent and in just 12 months they rose 3.5 percentage points to 17 per cent—and we all remember that. Thirdly, in August 1994 interest rates were at 8.75 per cent, and by December 1994—just four months later—they had gone up 1.2 percentage points. So we can see that when Labor put the pedal down on interest rate rises they went up on average 0.3 per cent per month. By compari-
son, under the coalition when interest rates rose they went up by just 0.04 per cent per month. So under Labor we had an interest rate accelerator that was 7½ times greater than under the coalition, and not once but three times did rates rise; and not once did the starting point for interest rates under Labor ever get lower than the finishing point under the coalition. So it is rich for those opposite to come into this place and deliver lectures on interest rates when Labor have written the book on how to increase interest rates in this country and have presided over an interest rate accelerator that exceeds all others. But why have Labor been so poor on this front? Again Mr Fraser helps us out. He states:

Increased central bank independence does not necessarily lead to lower inflation. This is because monetary policies, on their own, cannot guarantee to deliver lower inflation without unacceptable costs in terms of lost output and jobs. Fiscal and wages policies have an important bearing on inflation outcomes, and these need to be compatible with an anti-inflation monetary policy.

And this is where we have a problem. The government’s much promoted five-point plan on inflation—another example of the triumph of language and politics over policy by the government—falls well short of the mark. Not only does the plan have a five-star blind spot by failing to address wage pressures, with no mention at all in the government’s five-point plan about containing wage pressures, and we read headlines in the Australian last week of 18 per cent pay rise demands by unions, but also we had the government’s effort on fiscal policy with the government’s budget delivered here on Tuesday night. Point 1 of the five-point plan is fiscal restraint, yet we had the highest-taxing and highest-spending budget in Australia’s history. The Treasurer paraded himself around this country as the ‘commando’ of fiscal restraint to fight inflation, but on Tuesday night it was not the commando who showed up but Captain Feathersword. The government has taken to budget spending with all the force of a soggy, wet newspaper. If those opposite do not believe me on that point, Peter Hartcher in the Sydney Morning Herald this week wrote:

... in truth, the budget is stimulatory. It will add to inflation, not fight it. That leaves the Reserve Bank to do the tightening instead.

Ross Gittins wrote:

We were told the budget would “exert maximum downward pressure on inflation and interest rates”. It doesn’t.

Furthermore, the government was silent on state debt—an $80-plus billion debt binge on the part of the states—and it was silent on tax reform at a state level. The Prime Minister says that this is about ending the blame game when it comes to the states. But I caution every Australian that every time you hear the clever phrase ‘ending the blame game’ from the Prime Minister and those opposite what it really means is letting his Labor mates in the states get away with it by washing away their accountability in a sea of federal government money so that taxpayers in states pay twice for their infrastructure, twice for their hospitals, twice for schools—first for the incompetence of the states, and second for the bailout by the federal government. It is there to wash away their accountability for their own important responsibilities for which they should be held to account.

I return to the role of the Reserve Bank in addressing inflation. I draw attention also to Mr Fraser’s comments that, in order to address the first threat of forcing an economy to grow beyond its constraints, it is important to give central banks a charter, including a strong commitment to price stability and the freedom to pursue it. Mr Fraser says:
They should not have goal independence, but they should have instrument independence.

He talks of a number of ways that goals should be set, but concludes that the approach provided for the Reserve Bank of Australia, under their act, is the one he was most comfortable with as it gives a high priority to price stability while also having regard to other objectives such as growth and employment. He then specifically stated:

Central banks with multiple goals—which is what our central bank has—have more independence.

And, frankly, that is exactly what we have in this country. The Reserve Bank Act requires the bank to conduct monetary policy in a way that, in the board’s opinion, will best contribute to the objectives of the stability of the currency of Australia, the maintenance of full employment, and the economic prosperity and welfare of the people of Australia. These are the goals the Reserve Bank has to manage.

Our bank has always had this arrangement. In fact, back in 1996, the Financial Services Union in a submission to an inquiry said quite clearly that it believes:

... that the present powers and obligations of the Reserve Bank... provided for in the... Act, ensure a sensible balance between independence and ultimate democratic accountabilities...

It goes on to say:

This is unlikely to be improved by any further changes to the Act.

In 1996, the former Treasurer, the member for Higgins, built on the foundations set out in the Reserve Bank Act with his statement of monetary policy that further enhanced and clarified the independence of the bank—not by legislative stunts, as we see in this bill, but by providing the bank with even clearer direction as to monetary goals. On 14 August 1996, the former Treasurer issued the coalition government’s statement on the conduct of monetary policy. The statement recorded the common understanding of the Governor-designate of the Reserve Bank and the government on key aspects of Australia’s monetary policy framework. It was designed to clarify respective roles and responsibilities. The statement contributed to a better understanding, both in Australia and overseas, of the nature of the relationship between the Reserve Bank and the government, the objectives of monetary policy, the mechanisms for ensuring transparency and accountability in the way policy is conducted and the independence of the bank.

The statement formally recognised that the Reserve Bank Act gave the board the power to determine the bank’s monetary policy and to take the action necessary to implement policy changes; that the government recognised the independence of the bank and its responsibility for monetary policy matters and intended to respect the bank’s independence as provided by the statute; and that Section 11 of the Reserve Bank Act prescribed procedures for the resolution of policy differences between the bank and the government, allowing the government to determine policy in the event of a material difference, but that the procedures were politically demanding and that their nature reinforces the bank’s independence. The former Treasurer stated that safeguards like this ensured that monetary policy was subject to the checks and balances inherent and necessary in a democratic system.

The former Treasurer’s statement also ended the practice of the Keating government of parallel announcements of monetary policy adjustments, which enhanced both the perception as well as the reality of the independence of the Reserve Bank’s decision making. The statement acknowledged that the bank and the government agree on the importance of low inflation and low inflation expectations, as such actions assisted busi-
nesses in making sound investment decisions, underpinned the creation of new and secure jobs, protected the savings of Australians and preserved the value of the currency.

If only the new Treasurer understood the significance of this point—particularly about inflationary expectations. The first figures on inflationary expectations, revealed earlier this year, demonstrate that since this government has come to power inflationary expectations have risen. Is there any wonder why that would have occurred, when the Treasurer, speaking on the eve of Reserve Bank board meetings, was talking about inflation genies coming out of bottles. If it was not bad enough for the Treasurer to utter those words on the eve of a Reserve Bank board meeting, we have heard the Prime Minister in this very place repeat those phrases about genies and bottles. These are reckless statements which do nothing to support people and families across Australia—not just working families but people and families. There are people and families all across this country, not just those that the government would exclusively define as working families.

The former Treasurer went further with his plan by setting a goal for medium-term price stability of keeping inflation between two and three per cent, on average, over the cycle. Average inflation on the former Treasurer’s watch was 2.5 per cent. The policy worked. Apparently Mr Fraser, the former Governor of the Reserve Bank, agreed with his position, because in a speech to the National Press Club in August 1996 he said:

Targets can be flexible in providing an anchor for inflation expectations, and a discipline on monetary policy. But they should be flexible enough to serve those purposes and to avoid any proclivity to press the alarm button every time inflation threatens to go above the target.

Pressing the alarm button is what we are seeing from this government and this Treasurer—hitting the alarm button on every issue, making intemperate comments about inflation and talking up the issue to seek political advantage while leaving the policy tools in the drawer. The substance of the government’s real opinion of the previous government’s economic management is the fact that they copy it, like the tax cuts on Tuesday night or the new Treasurer recommitting the government to the monetary policy target developed and issued by the former Treasurer. The best this government can do on economic management is to seek to mimic the former government. The problem is that they do not believe it and they do not get it. There is nothing to suggest that the independence of the Reserve Bank has been compromised. So in relation to this bill my question is: where is the mischief? The only mischief here is from the Treasurer: he is desperately looking for some type of symbol to support the con this government is trying to perpetuate on the Australian people about its economic credentials.

Mr Marles (Corio) (10.45 am)—I rise to speak in support of the Reserve Bank Amendment (Enhanced Independence) Bill 2008, which is a bill to amend the Reserve Bank Act 1959. It gives expression to a commitment that Rudd Labor made in the lead-up to the election last year, in November 2007. One would think that giving an enhanced independence to our central bank is a pretty uncontroversial proposition. Indeed, I think if you were to speak in the abstract to any member of this parliament about whether or not they agreed with the idea of our central bank being independent you would have an almost unanimity of view that we should have an independent central bank, and yet the state of the Liberals in 2008 is such that they even managed to find themselves in opposition to a bill which seeks to enhance the independence of the Reserve Bank. It speaks volumes about where the
Liberals are at this moment in time. They have let go of any guiding philosophy. They are rudderless and aimless. And what defines them is being an opponent of us. The truth is that the reason they oppose this bill is that it formed part of a commitment that Labor made in the last election and it is now a bill being sponsored by Labor through this parliament. Because of that, not because of its content, we see the opposition in the extraordinary position of opposing a bill which is aimed at enhancing the independence of our central bank. We saw the complete absence of any guiding philosophy on the part of the Liberal Party in 2008 in their reaction to the government’s budget on Tuesday night.

We have seen it particularly in the comments of the member for Wentworth. Just last Sunday, on the Insiders program on the ABC, we saw Mr Turnbull, the member for Wentworth, engage in the most extraordinary mental acrobatics as he did a triple somersault and seemed to go from one position to the next and back to the same position, all within the space of moments. The issue was whether or not the government should engage in expenditure cuts. Of course, this is against the backdrop of whether or not the opposition believes that inflation exists or is a problem in Australia in 2008. Of course, we have had the member for Wentworth describing the whole issue of inflation and whether or not we have an inflation problem as only being a fairy story. Against that backdrop, the member for Wentworth, at the start of his interview with Barrie Cassidy on the Insiders program, said:

The only point that I’ve made about spending, Barrie, is this: that we are in a very tough international economic environment. Wayne Swan has said that in order to reduce demand, slow the economy, put downward pressure on inflation, he is going to make huge cuts in net spending.

Now, that doesn’t mean cutting Howard Government spending and replacing it with Rudd Government spending; it means pulling many billions of dollars out of the net spending Budget of the Government. Now that would slow the economy if its big enough to do that. I think it would be unwise because we are going into tougher times.

I suppose we are to take from that comment that the member for Wentworth is asking the government to not engage in expenditure cuts in this budget, and yet, only a few moments later, in the very same interview, Barrie Cassidy asked:

But aren’t you having it both ways? To have a real impact on inflation you’ve got to cut by how much, five, six billion dollars?

To that the member for Wentworth said:

I would think at least. I mean, in the US, where they are trying to reflate their economy, Hank Paulson, the Treasury Secretary, has described their $150 billion stimulus which is one per cent of GDP as being enough to make a difference. Now, a one per cent of GDP cut here would be $10 billion, so most people say half a per cent, five of six billion dollars, would make an impression. Anything less than that is not going to make an impact.

From that statement, made literally moments later, I suppose we are to take it that the member for Wentworth wanted the government to engage in extensive expenditure cuts in the budget. Then, only a few moments later, in the very same interview, we see the backflip again when he says:

Well, I think there should be cuts which are based on efficiency, they should always be running, any time and any season. But when you are talking about taking a big cut to lower inflationary pressures, what you’re talking about doing is slashing programs which might be quite good and saying, “OK, we’re not going to build that school this year, we’re not going to build that road this year, we’re going to cut these programs in order to ruthlessly lower overall demand.

I think what we are to take from that is that the member for Wentworth, within the space of just a few minutes, did not want expenditure cuts. First he did not want the cuts, then
he did want the cuts, then he did not want the cuts, and all that occurred in just a five-minute interview with Barrie Cassidy last Sunday.

Since the budget on Tuesday night we have this comment in today’s Australian, on page 9, from the member for Wentworth:

Wayne Swan was telling you and me and everybody else for months that it was going to be a tough budget which would put downward pressure on inflation ... He’s a complete wimp, he’s done nothing to tackle inflation.

I take it from that that the member for Wentworth was unhappy that there were not enough cuts in the budget. Now we are left to wonder: is there an inflationary problem or is there not an inflationary problem from the point of view of the Liberal Party in 2008? The truth is that they have no idea. The truth is that the Liberals in 2008 are flipping and flopping all over the place. Their mental acrobatics is astonishing. The only thing that defines them is a desperate attempt to oppose us. That is a bad thing for Australia. It is a bad thing because it means that in this House there is actually only one side on duty. There is only one side that is giving any kind of intellectual engagement about what the philosophy for this country should be going forward. There is only one side that is actually giving a view and there is another side that is just trying to work out how to oppose it no matter what the cost.

The Rudd government is absolutely committed to relieving financial pressure on working families, and the bill we have today is just one measure in a suite of measures which are aimed at modernising our economy and reducing the financial pressure on working families. We understand the importance of modernising the economy so that we can have sustained, long-term growth which creates real jobs and keeps inflation in check so that all of that can give us rising living standards. We have demonstrated that in the budget that was delivered on Tuesday night with the Working Families Support Package, a $55 billion package for working families, and through placing an emphasis on building this nation through the creation of a $40 billion series of funds which will look at infrastructure, education and health to ease inflation. Of course, these go directly to the issues which have been highlighted by the Reserve Bank board as being the capacity constraints on our economy.

Labor does have a guiding philosophy. Labor actually has a long tradition, which over the decades has been modernised to account for contemporary circumstances, which has, over the more than a century of the party’s existence, always been about improving the lot of working families. You see that tradition even in relation to an institution like our country’s central bank. This bill is very much in the tradition that Labor has had in building, enhancing and giving independence to our nation’s central bank. It was the Fisher government which, in 1911, created the Commonwealth Bank, which became the body corporate that was later used to create the Reserve Bank of Australia. It was the Chifley government which, in 1945, gave rise to the Commonwealth Banks Act and the Banking Act, which formalised bank powers in monetary and banking policy and exchange control. It was the Hawke government which, in 1983, floated the dollar and so defined the Reserve Bank’s role as no longer regulating the Australian dollar but instead intervening to sustain its stability. It was actually the Labor government of Paul Keating which established the current tradition of the two to three per cent inflationary target, which was first articulated by the Reserve Bank governor, Bernie Fraser, in 1993 but which was then endorsed by the Keating government—by the then Treasurer, Ralph Willis—in 1995. And so in that, leading to this bill now, you have a longstanding tradi-
tion, a guiding philosophy and a theme of how we see that the country ought to be governed even in relation to an example such as this.

That stands in stark contrast to the Liberals and to the Howard government. The way in which they have been characterised, in terms of governing this country, has actually been as economically lazy. During the term of the Howard government, we saw 15 interest rate rises, including 10 successive interest rate rises from 2002 through to the end of the Howard government. It can rightly be said that inflation was the parting gift of the Howard government to this country, and it was caused by laziness, neglect and a lack of reform. The Liberal Party ignored 20 separate Reserve Bank warnings on skills shortages and capacity constraints in the economy—

Mr Robert interjecting—

Mr MARLES—You can shake your head, but the fact of the matter is that those warnings were there and the Liberal Party ignored them. In fact, the way you in the Liberal Party, in government and in opposition, have gone about things on this issue is very much akin to an ostrich. You have found the nearest sandpit and you have plunged your head straight into it. When it comes to whether or not there is an inflationary issue, that is what you have done. You have found the nearest sandpit and you have plunged your head straight into it. You even have the Leader of the Opposition saying that the Rudd government has inherited a first-class economy. He said that despite the highest underlying rate of inflation for 16 years and despite 12 interest rate rises in a row. As I said before, you have the member for Wentworth saying that inflation is nothing but a fairy story and, of course, you have the former Treasurer, the member for Higgins, saying that inflation was right where they wanted it.

Of course, we have had comments now—and there have been comments previously from the Liberal Party—that there have been intemperate statements made by those of us on this side of the House about the economy. Well, here is the fact of the matter about what statements have been made and whether they are temperate or intemperate statements. What the market needs to know is that there is a government running this country which understands the problems that this country faces. So acknowledging that there is an inflationary problem is not talking the issue of inflation up; it is actually acknowledging that there is a problem and then coming up with a plan to deal with it.

Mr Robert—Mr Speaker, I raise a point of order. Standing order 104 deals with the issue of relevance. For the last 15 minutes the member for Corio has spoken about Labor’s budget and a whole range of issues, with barely a mention of the Reserve Bank issue at hand, and I ask you to bring him back to the measures in the bill.

The DEPUTY SPEAKER (Hon. KJ Andrews)—Order! There is no point of order. This debate, so far as I have followed it, has been fairly broad ranging, and I note that part of the responsibility of the Reserve Bank relates to inflation and the general economic circumstances of the country.

Mr MARLES—What we have had from the Liberal Party is simply head-in-the-sand politics, and what we have had from this side of the House is a sober acknowledgement of the problem followed up with a plan for how we intend to deal with it. That actually does not talk inflation up. If anything, that gives inflationary expectations that inflation will go down, because the market knows that it has a government in place which is actually
acknowledging that there is a problem and is going to do something about it.

The Governor of the Reserve Bank, in his address to the House Standing Committee on Economics on 4 April this year, described inflation as uncomfortably high. That is the truth of the matter. The Governor of the Reserve Bank described it as uncomfortably high. That fact is obvious to every Australian out there who feels the pressure of rising inflation and interest rates in their everyday life—in grocery prices, in petrol prices and, in particular, in housing prices. So you have the Housing Industry Association saying in April of this year that:

Recent interest rate increases are hitting housing hard with the value of housing loans decreasing 7.1 per cent in February and the number of loans falling by 5.9 per cent.

Inflation is hitting particularly hard in my seat of Corio, in the city of Geelong. According to the census figures in 2006, the median household income in Geelong is $840 per week, almost $200 less than the national average. In 2006 the median house price in Geelong was $257,500. If you take a standard loan of that kind of amount—with, say, 8.5 per cent at the current market rate, over a 25-year period—that means that the average repayments for a family in Geelong are around $478. That is more than half their median income, and that is a description of mortgage stress. That is what people in Geelong are feeling as a result of the inflation gift that has been given to them by the Howard government.

The Rudd government is aware of this and so there is a $2.2 billion package in the budget, announced on Tuesday night, which is aimed at dealing with housing affordability. Inflation has taken a long time to build and it will take a long time to dismantle, but the Rudd government is absolutely committed to doing that because it understands that prolonged high inflation will compromise long-term economic growth, compromise our standing of living and ultimately give rise to higher unemployment. So, in tackling inflation, we are going to look at the Reserve Bank warnings. We are going to address the issues of skill shortages and infrastructure capacity constraints within the economy.

That is why we have put enormous emphasis on building our nation and on building infrastructure in Australia. In the budget, we have a $20 million commitment to establishing Infrastructure Australia, which will provide a coordinated approach to building infrastructure in this country, as well as the establishment of three funds totalling $40 billion: the $20 billion Building Australia Fund, the $11 billion Education Investment Fund and the $10 billion Health and Hospitals Fund. All of that will go a long way to building the productive capacity of our nation.

There is no better example of how we can improve the productive capacity of our country through infrastructure than in my home town of Geelong. We have been building a ring-road around Geelong, which will be an enormous boost to the local economy. Make no mistake: it is, at the end of the day, a Labor initiative. It was announced jointly by the state and federal governments in May 2005, principally at the behest of the then Bracks state Labor government. The Howard government came to this project kicking and screaming only after it was concerned that it would lose the seat of Corangamite in the 2004 election, which it ultimately did, of course, in the 2007 election. The initial funding was provided mostly by the state Labor government. There was an announcement of further funding from the state Labor government in 2006 for the final stage of it. But, when the Howard government came to look at this project in the lead-up to the last election, it completely ignored giving any fund-
ing to it. One week later, the Rudd Labor government did commit to the project, and we saw the down payment of that commitment in the budget on Tuesday night.

**The DEPUTY SPEAKER**—Order! The honourable member is now straying a little from the subject matter of the bill.

**Mr MARLES**—Let me go, then, in the time that I have left, to the issue at hand—the bill. Under the current law—

**Mr Robert**—That’s good of you. You have three minutes left.

**Mr MARLES**—Let me say that we are about trying to modernise our economy, and this bill is part of a suite of programs to do that and that is why I have been outlining the others. But let me deal with this particular part of that program of modernising our economy. This bill will give enhanced independence to the Reserve Bank. Under the current law, the Treasurer has the sole responsibility for appointing, suspending or, ultimately, terminating the Governor or the Deputy Governor of the Reserve Bank. That allows for partisan politics in relation to the appointments to the Reserve Bank board. We had the Robert Gerard affair, with the former Treasurer intervening in the appointment process to the board despite the fact that you had a man who was under a tax office investigation and ended up paying $100 million in outstanding taxes and penalties. But, of course, the issue with Robert Gerard was that he was an influential Liberal Party donor, which is why he ended up on the Reserve Bank board. But this is about enhancing the independence of the Reserve Bank.

**Mr Robert**—Mr Speaker, I rise on a point of order. The member for Corio referred to the integrity of the previous Treasurer when he explicitly stated that the Treasurer only appointed the man to the board because he was a friend of the Liberal Party. I ask the member for Corio to withdraw that offensive remark about the former Treasurer.

**The DEPUTY SPEAKER**—Whilst the remark may not enhance the debate, it is not unparliamentary.

**Mr MARLES**—This will place the appointment of the Reserve Bank governor and deputy governor in the hands of the Governor-General acting in council, and any suspension or termination of the Reserve Bank governor or deputy governor can only occur if the Governor-General, acting in council, then refers it to the parliament. Such a removal, if it ultimately occurred, would only occur if there is an agreement by both houses of this parliament acting in the same session. In doing that, it raises the position of the Deputy Governor and Governor of the Reserve Bank to the same level of statutory independence as the Commissioner of Taxation and the Australian Statistician. That can only help enhance the independence of the Reserve Bank. *(Time expired)*

**Mr ROBERT** (Fadden) (11.05 am)—I rise to strongly oppose the Reserve Bank Amendment (Enhanced Independence) Bill 2008 and, in absolute deference to the member for Corio, I will actually spend the time speaking about this shoddily crafted bill and why it is a disgraceful bill to move through the parliament. The introduction of this bill was announced with enormous fanfare on 6 December last year, when the PM announced, with almost Barack Obama type exclamation, a ‘new era of independence’ for the RBA. His press release came out with a very large ‘new era of independence’ on it. Yet the reality is far different, as is the case with most things that this government is putting forward.

This bill seeks to amend the Reserve Bank Act 1959 so that the Governor-General rather than the Treasurer will be responsible for the
appointment of the governor and deputy governor of the bank and for their dismissal. Far from being a ‘new era of independence’, as the Prime Minister and Treasurer so boldly stated, this is simply a return to the status quo that existed before the commencement of the Financial Sector Legislation Amendment Bill (No. 1) in 2002. This 2002 bill was supported by the opposition, the now government, and it amended the act so that the Treasurer appointed officers and board members to streamline the appointment and termination process. Indeed, the current Minister for Finance and Deregulation said on 19 June 2002:

The Financial Sector Legislation Amendment Bill (No. 1) 2002 deals with a range of regulatory changes to the arrangements primarily governing the regulation of corporations, particularly in the financial sector. I will address them very briefly in turn, because they are broadly uncontroversial and are supported by the opposition ...

The present finance minister of this government, when speaking about the bill in 2002 that took the authority for the appointment and dismissal from the Governor-General to the Treasurer, said these are ‘broadly uncontroversial and are supported by the opposition’. I can only suggest that the finance minister has had an epiphany in the last five years and has completely reversed his position. Furthermore, that bright shining light of a Labor leader, that almighty luminary, the former member for Werriwa, that name we shall not speak, Mark Latham, said on the same date:

The Financial Sector Legislation Amendment Bill (No. 1) 2002 contains amendments to 10 pieces of legislation that govern the operation of financial institutions, the insurance and superannuation sectors and the Reserve Bank. We are generally supportive of the amendments ...

Labor’s great luminary, the previous Leader of the Opposition before the current Prime Minister, said ‘We are generally supportive of the amendments’. He did not stop there. He went further to say:

Proposed amendments to the Reserve Bank Act 1959 seek to simplify the procedures for appointing RBA board members and other senior officials. The Treasurer proposes to make these appointments directly rather than via the Governor-General. So this is indeed a minor alteration.

The former Leader of the Opposition, the great Labor luminary, Mark Latham, said that these are ‘indeed a minor alteration’. The current finance minister said these are ‘broadly uncontroversial and are supported by the opposition’. Now, apparently, it is central to a ‘new era of independence’. This must be a joke. This must be an absolute charade. If this is a new era of independence, then clearly we are all in the wrong place. This is simply back to the future. At present, under section 25 of the act, the Treasurer is obliged to terminate the appointment of the governor or deputy governor if either of them becomes permanently incapable of performing his or her duties, engages in outside paid employment or becomes bankrupt.

Clearly, in any of these circumstances, the governor and deputy governor of the bank cannot adequately perform their duties in the service of this nation and they should be dismissed straightaway. Despite Labor’s rhetoric in their press release, this ‘new era of independence’ that they so solidly backed back in 2002, according to the Treasurer’s second reading speech on 20 March 2008, the bill does not provide a list of eminent candidates to be maintained by the Treasury and the Reserve Bank governor for appointment to the Reserve Bank board. It is not clear that Labor have made any changes to the status quo in this respect. In the press release, in their ‘new era of independence’ statement on 6 December 2007, they made it very clear:

The Rudd Government is committed to improving the transparency of future Reserve Bank Board
appointments and to remove political considerations.

Accordingly, the Secretary to the Treasury and the Governor of the Reserve Bank will maintain a register of eminent candidates of the highest integrity from which the Treasurer will make appointments to the Reserve Bank Board.

None of this is in the bill. If the integrity of the Reserve Bank board, if the process of transparency was so fundamentally important to this 'new era of independence', surely it would be in the bill; yet it is conspicuous by its absence. Likewise, Labor has not promised to appoint only people on a list and has not promised to release or publish the list. While this list was explicitly referred to when these changes were announced, it is now explicitly missing in action. I can only suggest it might be a casualty on the drop zone. I am not convinced at all that there is any transparency in this 'new era of independence'.

Labor's bill goes on to say that the Governor and Deputy Governor of the Reserve Bank will be appointed by the Governor-General, not by the Treasurer. Furthermore, before the governor or deputy governor can be sacked on the three grounds discussed previously, there would need to be a vote of both houses of parliament calling for the Governor-General to do so. There would therefore have to be a full parliamentary debate if the governor were in a car accident, declared bankrupt or started trading futures—the bank—a full parliamentary debate through both houses of parliament before the governor could be dismissed.

In the press release by the Prime Minister and Treasurer, they said they wanted to remove 'political considerations'; yet pulling the decision for dismissal back into the House politicises the dismissal process and subsequent appointment of a successor. If, for example, tomorrow or, indeed, in four weeks time the governor or deputy governor were to be involved in one of those three incidents—let us say a car accident and he was unable to operate in his duty and parliament does not sit for eight weeks over the winter recess—would we wait for eight weeks before we got a new Governor of the Reserve Bank? If the governor were declared bankrupt, would we wait eight weeks or would we recall both houses of parliament, knowing full well that it costs over $1 million a day for this place to operate? We would recall and spend $1 million of public money just so the Prime Minister and Treasurer could stand there and say, 'We have a new era of independence.'

I look forward to the Prime Minister actually saying that to kids with type 1 diabetes, and there are 7,000 children waiting for insulin pumps. This farce of a budget—and the member for Corio spent 17 minutes talking about how wonderful it was rather than addressing the bill—only has funding for 170 insulin pumps. That is all. We are quite happy to spend $1 million to come back here to debate whether a bankrupt governor can stay in their position or not, but the government will fund only 170 insulin pumps when 7,000 children are waiting for them, and there is a $41 billion surplus over two years. Something has gone seriously wrong on the government benches.

With an institution as important to the Australian economy as the Reserve Bank of Australia, any time restrictions should be avoided as any delay has the potential to have a lasting impact on the economy. Labor claims this is consistent with the process for the Australian Statistician and the tax commissioner. Yet these officers can be terminated for misbehaviour—and proven misbehaviour accordingly—and they generally do not have a board of directors. It is very dif-
different to the Governor and Deputy Governor of the Reserve Bank. Yet the Treasurer can still make appointments under Labor’s farcical bill to the Reserve Bank board and the Payments System board. Does the left hand indeed know what the right hand is doing?

Labor’s amendments are so confusing. Not the least is that in 1996 Labor opposed the independence of the Reserve Bank—seeking legal advice—then in 2002 they supported the changes, and now in 2008 they are rejecting the changes. I suggest that Labor have had a very convenient ‘road to Damascus’ experience, with their leader, Mr Rudd, consistently repeating that he is an economic conservative committed to an independent central bank. But now I fear they are entering into a public relations exercise because they promised as part of their election campaign to strengthen the independence of the Reserve Bank. Not knowing what to do, they have released a press statement calling for a new era of independence, and simply taking it back to 2002.

Their rushed and poorly-written bill does not achieve what anyone had hoped for. It is cumbersome, it will not work and it does nothing to enhance independence. Currently, section 24(1)(c) of the act provides that the governor and deputy governor hold office subject to good behaviour and can be dismissed for lack of good behaviour. Reading through Labor’s amendment, it is arguable that the governor or deputy governor will be immune from dismissal by anyone on the grounds of misbehaviour, as the new sections in the bill do not include dismissal on such grounds.

In simple terms, Labor’s bill appears to be proposing that a governor could act dishonestly or in a way that dramatically undermines public opinion and confidence in the bank and there is nothing the executive or the parliament can do about it. This is not just my interpretation of the bill. The Bills Digest, which is put together by eminent researchers in our own Parliamentary Library, states:

Under the changes proposed by the Bill, in the event the position holder is not of good behaviour there is no mechanism for termination as this requirement is not specified as a ground under new subsection 25(8).

Surely this is not an omission. Surely the drafting of this bill could not be that sloppy that one of the key articles of the bill—dismissal for misbehaviour—is missing. Surely this is not a public relations exercise that is sacrificing good governance so that the Prime Minister can stand there and say, ‘We have a new era of independence.’

I acknowledge that no governor has been dismissed to date. But the governor is in a unique position to cause damage to the economy and the reputation of this nation. I draw the House’s attention to Antonio Fazio, who was the governor of the Bank of Italy when a scandal broke in July 2005 over the sale of Banca Antonveneta, which involved allegations of corruption, nepotism and very poor policy by the Bank of Italy. He was called upon to resign by the Prime Minister. The nation’s leading newspapers demanded that he resign. The majority of the market economists demanded that he step down, yet no-one could sack him except for his hand-picked board, and their silence was indeed deafening. He ignored these calls and hung onto his position for six months. He resigned in December 2005 in disgrace after six months of highly publicised damage to the reputation and standing of the Bank of Italy.

No-one is surmising that this may happen in Australia. No-one is surmising anything but the highest level of integrity from our current and future Reserve Bank governors and deputy governors. Yet forewarned is forearmed, and burying your head in the sand for political populist expediency—so
you can stand there and say, ‘I believe in a new era of independence’—is an absolute recipe for disaster. How in good conscience these changes are enhancing the independence of the Reserve Bank is simply and utterly beyond me. I am left with one conclusion: that this bill is either a work of the grossest incompetence or merely a Rudd and Swan publicity stunt. If this is a publicity stunt, then I would be appalled that an institution so pivotal to the financial security of our nation, the Reserve Bank, would be used as a Labor pawn in a political game. The coalition is looking forward to moving an amendment to the bill to oppose all of these poorly constructed Labor stunts. The amendment looks to implement something useful—imagine that—which is for the governor to front the House of Representatives Standing Committee on Economics quarterly rather than biannually. I vehemently enhance and state my disdain for the bill and commend the outright rejection of this bill to the House.

Mr CLARE (Blaxland) (11.21 am)—I rise to support the Reserve Bank Amendment (Enhanced Independence) Bill 2008 that will strengthen the independence of the Reserve Bank. It shifts responsibility for the appointment of the bank’s governor and deputy governor to the Governor-General in council and ensures that termination of these appointments will require parliamentary approval. This places the Governor and the Deputy Governor of the Reserve Bank on the same footing as the Commissioner of Taxation and the Australian Statistician, which is a good thing, consistent with the approach adopted by both sides of politics that the bank should be independent of government. As the law currently stands, the Treasurer has the power to appoint and terminate the appointments of the Governor and the Deputy Governor of the Reserve Bank. This arrangement has the potential to undermine the independence of the Reserve Bank’s operations, particularly its conduct of monetary policy. This bill removes the potential for such interference.

Reserve Bank independence is supported by both sides of the House and by the weight of informed economic opinion here and around the world. Some may question why the government has given this responsibility to a group of unelected officials. We have done this because their independent judgment is critical. The former Reserve Bank governor, Ian Macfarlane, made this point in his Boyer lectures in 2006, drawing a parallel between the Reserve Bank and judicial independence. The parliament makes laws and leaves it to an independent judiciary to administer the legal system, unaffected by political interest. The same approach is needed in the administration of monetary policy. Macfarlane explained why central bank independence is so important:

The system should be reasonably symmetrical.

That is:

Over time, interest rates should rise about as often as they fall. The problem is that the public reaction to changes in interest rates is far from symmetrical.

The Reserve Bank’s job must be to take a long-term view of economic conditions, unaffected by the daily temperature of the political environment. The Reserve Bank proved its capacity to do this by tightening monetary policy during last year’s election campaign. It was an action that could have only been undertaken by an independent central bank. No-one on this side of the House doubts the independence of the Reserve Bank, but this legislation is about embedding it.

Australia pioneered independent central banking. Labor created the forerunner to the Reserve Bank, the Commonwealth Bank, which commenced operations in 1912.
Commonwealth Banks Act mandated the Commonwealth Bank governor’s formal statutory independence from government. Over the next few decades, the major parties clashed over the role of the governor and the role of the board. In 1959 the Reserve Bank Act transferred responsibility for independent central banking to the Reserve Bank, but, while the statute said it was independent of government, in practice it was kept on a pretty short leash. Implementing monetary policy involved controls on private bank lending and setting interest rates on government securities, which required the approval of the Treasurer.

The catalyst for real independence was the floating of the Australian dollar in December 1983. This allowed the bank to conduct monetary policy in the way that we now consider orthodox—using open market operations to control the short-term cash rate. It was a courageous reform and, again, it was a Labor reform. Former Reserve Bank governor Bob Johnston said it was the decision of the decade. The previous, coalition government also played an important role in the progression of RBA independence with the 1996 Statement on the Conduct of Monetary Policy marking out the formal two to three per cent inflation target. This bill is the next logical step in cementing the independence of the Reserve Bank.

The Reserve Bank Act charges the bank with a tripartite responsibility for the conduct of monetary policy in a way that will best contribute to price stability, the maintenance of full employment and the general economic prosperity of the nation. The last of these, economic prosperity, is the underlying objective of monetary policy. The second, full employment, was added by the Chifley government in the Commonwealth Banks Act of 1945. But it is the first, price stability, that we generally associate with the role of the bank. That is because it leads to the other two: it leads to full employment and economic prosperity.

The December 2007 Statement on the Conduct of Monetary Policy makes this point, saying:

Price stability is a crucial precondition for sustained growth in economic activity and employment.

Macfarlane makes this point again in his Boyer lectures:

… the best contribution monetary policy can make to lowering unemployment, is to achieve a sustainable economic expansion and this can only be achieved if it is a low inflation expansion.

That is why the current macro environment is so worrying. Inflation is the great menace. We know it pushes up interest rates, it takes food off the table, it wrecks economies and it destroys families.

As it is charged, the Reserve Bank has been adjusting the cash rate to fight inflation, but until now it has been fighting with one hand behind its back because, while it increased interest rates, the former government kept spending. One doused demand; the other fuelled it—two oarsmen, if you like, rowing in different directions. This is the crux of the problem. It is why, despite 12 successive interest rate rises, inflation has now reached a 16-year high and is now the second highest in the developed world. Fiscal policy has to work with monetary policy. Other members who have participated in this debate made that very point. It appears common sense, but it has not been happening. The shadow Treasurer’s former company, Goldman Sachs, made this point only yesterday. The Goldman Sachs analysis of the budget said:

After 2 years of notable conflict, finally we have fiscal policy that is pushing in the same direction as monetary policy.

This means cutting spending, encouraging people to save instead of spend and increas-
That is why the budget is so important. Labor is taking the budget to the gym, while the former government took it out to KFC. It is our job to make the Reserve Bank’s job easier, not harder—to reduce the pressure on the bank to raise interest rates, not hold a gun to its head. That is why the budget cuts spending and invests in areas that will help us tackle inflation. The $55 billion Working Families Support Package that funds our election commitments helps meet the increasing cost of living and helps increase workforce participation, along with 630,000 new training places that will help tackle the skills shortage and $20 billion in the Building Australia Fund that will help tackle infrastructure bottlenecks. The RBA told the former government to do all of these things on no fewer than 20 different occasions.

As the member for Corio told this House, the opposition had been saying at least until recently there is no need for such spending cuts. What they have really been saying is that fiscal policy has no role to play in tackling inflation and bringing inflation back within the target band—leave it to monetary policy; leave it to interest rates. The problem with that is who gets hurt as a consequence. Monetary policy is a pretty blunt instrument. The 30 per cent of Australian households that have a mortgage bear the brunt of interest rate rises. Many of these households contain young families who are usually first home buyers trying to get into the market. They are the ones who are shouldering the responsibility for fighting inflation for the rest of us. It is unfair and, without the support of fiscal policy, it is ineffective. Families with big mortgages are already stretched. They do not have buckets of money sitting around to mop up and sop up interest rate rises. Every interest rate rise puts them under more pressure and tips more over the edge.

Last month the Deputy Governor of the Reserve Bank appeared before the Senate Select Committee on Housing Affordability in Australia. He estimated that there are around 15,000 families that are 90 days or more in arrears on their mortgage. Another 30,000 are more than 30 days in arrears. That is 45,000 Australian families that are behind in their repayments and sinking in debt. As I have told the House before, there are more of these families in my electorate than there are anywhere else in Australia. Last year 300 families in my electorate lost their homes. In Bankstown, three families lose their homes every single day.

The story is not much better at the Fairfield Office of the Sheriff. I visited the Fairfield Sheriff’s office a couple of weeks ago and they told me that eviction rates have more than doubled in the last few years, up from 113 evictions in 2005 to 259 last year. The local sheriffs have a tough job. They have told me some terrible stories. There is the story of the 70-year-old grandparents who lost their home when they went guarantor for their grandchildren. There are the wives who open the door nursing a baby not aware the family is even behind in the repayments. There are tenants thrown out on the street who have no idea what is going on, and there are the suicides that happen as they walk up the driveway. The flow-on effect is a jump in rental prices and requests for emergency assistance. Priority housing requests at the Department of Housing in Bankstown have jumped by 30 per cent in the last six months, and we probably have not seen the worst of it yet. There is a lag period after each interest rate rise of about nine to 12 months before families go under. So we can expect it to get worse before it gets better. That is why I am trying to help local families that are being consumed by mortgage stress in my electorate.
Most new homebuyers are already caught in the vortex of housing stress. Research at Canberra university has shown that 61 per cent of new homebuyers are already in mortgage stress. They get into trouble from the very start. Fujitsu has done its own research and it showed that once someone is in severe mortgage stress there is a 20 per cent chance they will be forced to sell and there is only a 50 per cent chance of getting out of mortgage stress altogether. This is the reason why more Australians are giving up on the Australian dream than ever before. It is why homeownership is dropping along with the proportion of first home buyers. It is why the local sheriffs tell me most of the repossessions in my electorate are first home buyers.

The evidence from the Deputy Governor of the Reserve Bank before the Senate inquiry into housing affordability explains why my electorate is the mortgage stress capital of Australia. The surge in prices during the housing boom was comparatively higher in Western Sydney than in the rest of Sydney. More households bought towards the peak of the market than anywhere else and incomes grew more slowly in Western Sydney than in other parts of Sydney. A disproportionately large share of mortgage loans in my electorate were sourced from non bank lenders, and these loans are responsible for a disproportionate share of defaults. It is a perfect storm. The arrears rate from non bank lenders in Western Sydney is three times that of the major banks. The Consumer Credit Legal Centre tells me that non bank lenders make up about 12 per cent of the market but they are responsible for 48 per cent of the calls they receive from people seeking help.

My electorate of Blaxland is the canary in the coalmine. But we are not alone. Other parts of Australia are also under increasing pressure. More than a million Australians are suffering housing stress. That is why fiscal policy has to work with monetary policy. That is why fiscal policy needs to work hand in hand with monetary policy. It is why the former government was removed, and it is why we need to act. That means pulling mortgage lending under Commonwealth control, and I am glad to see that COAG has agreed to give the Commonwealth government these powers. One of the first things we need to do is regulate the behaviour of mortgage brokers who are disproportionately represented in the mortgage stress maelstrom. ASIC, for example, could be given responsibility for a national system of licensing mortgage brokers and non bank lenders. Credit card lending also needs to be reviewed. I hear story after story from financial counsellors in my electorate of circumstances where people have half a dozen or more credit cards and have debts of more than $100,000. Many of them are pensioners or people that are unemployed. We need to make sure that banks operate in the interests of their customers, not against them.

This is only part of the answer. I have spoken to a lot of financial counsellors over the last few weeks—people like the Smith Family, the Consumer Credit Legal Centre and a local NGO called Creating Links. They all tell me the same thing: people wait until it is too late to seek help—when a bank is about to foreclose or when the sheriff is at the door. It is just too late to seek help then. Some are too proud to seek financial counselling. Others are in denial—they just pretend it is not happening. The sheriffs tell me they often turn up to a house and the house is still furnished—nothing has been removed.

One of the good ideas that came out of the local 2020 summits was a proposal for a national financial literacy program in our schools to ensure that every young adult is financially literate by 2020. One of the measures in the budget announced on Tuesday night that I am particularly glad to see is the doubling of funding for financial coun-
selling services to $20 million over four years. All of that will go a long way to helping the people of my electorate. That is why I have developed a debt relief information kit for my electorate: to give local residents the information they need before it is too late to ensure that they do not lose their house. In the next few months I will be holding housing stress information nights in my electorate with organisations like the Smith Family, the Consumer Credit Legal Centre, and Legal Aid, to make sure that people have the information they need before it is too late. The aim of all of this is relatively modest—to save a few homes and a few families.

In my first speech in this place I told the House that I want to make sure the great Australian dream still means something to future generations—where a mortgage is an investment, not a trap. It is not an easy task; it is very hard. It will not be fixed quickly. It requires an enduring commitment. But I am proud to be part of a government that has made expanding the number of homes and expanding the number of homeowners a real priority, with a real plan to fix it up. Last month the Prime Minister told the Housing Industry Association:

Home ownership is not just about ensuring that people have a place to live. Homes are also financial assets ... A base to raise a family. It provides a sense of security.

That is why homeownership is so important, and that is why this bill and this budget are so important. The Reserve Bank needs to be independent of government, but it cannot act on its own. It needs our help, with both of us rowing in the same direction—and that is what this budget does. I hope that the measures in it and the efforts that we make here and on the ground will help save the homes and families in my electorate. I commend the bill to the House.

Debate (on motion by Ms Plibersek) adjourned.

TELECOMMUNICATIONS LEGISLATION AMENDMENT (NATIONAL BROADBAND NETWORK) BILL 2008

First Reading

Bill received from the Senate, and read a first time.

Second Reading

Mr ALBANESE (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (11.39 am)—I present the explanatory memorandum to the bill and move:

That this bill be now read a second time

Access to high-speed broadband services is critical to Australia’s future economic prosperity and social wellbeing.

This is why the government has committed to investing up to $4.7 billion in partnership with the private sector and to consider necessary regulatory changes to establish a new national broadband network.

This national broadband network is expected to provide minimum speeds of 12 megabits per second to 98 per cent of homes and businesses within five years.

The national broadband network will be an open access network that provides for equivalence of access charges and scope for access seekers to differentiate their product offerings by allowing the customisation of access speeds, quality of service and contention ratios. This will facilitate real competition, delivering high-quality and efficiently priced services.

The national broadband network will provide a platform for sustainable growth for our economy for many years to come.

The government is committed to the expeditious delivery of these outcomes. The
government’s timely release of the national broadband network request for proposals on 11 April 2008 and call for public submissions on the regulatory issues associated with the national broadband network demonstrate this commitment.

So that the nation achieves the best outcome from this once-in-a-lifetime transformational initiative, the successful proponent will be selected through an open and fair competitive assessment process.

It is essential that parties interested in rolling out the new network are not prevented from participating in the selection process by a lack of information about existing network infrastructure.

It is generally acknowledged that the amount of information in the public domain regarding Telstra’s customer access network and other infrastructure, especially in non-metropolitan areas, is not extensive.

As the owner of Australia’s largest fixed customer access network—elements of which are likely to form part of any fibre-to-the-node network—Telstra is at an advantage to other potential proponents of a national broadband network if it has sole access to information that is essential for the preparation of competitive proposals.

Knowledge of other non-Telstra infrastructure that could form part of a national broadband network, such as that used for backhaul, is also relevant.

It is essential, therefore, that potential proponents have access to sufficient information to develop, with confidence, robust network designs and costings.

The government has sought agreement from carriers to provide this network information voluntarily. Some carriers have agreed while others have expressed reservations.

Most network operators, including Telstra, have demonstrated that they are working towards giving this information voluntarily.

We welcome this cooperative approach. Discussions are continuing with carriers to ensure information is available as soon as possible. However, the government has come to the conclusion that legislation is necessary to ensure that it is able to meet the ambitious timetable to begin rolling out the new network by the end of the year.

It is important that all potential bidders have access to network information to develop their bids, and that private network data is protected.

This bill provides a mechanism for providing potential proponents with access to relevant information for the purposes of the competitive national broadband network assessment process, so they can put forward robust proposals.

Importantly, the legislation includes strong legislative safeguards to carriers, which guard against the misuse of sensitive network information. The bill, and any subordinate instruments which are provided for by the bill, are not intended to override any protections under the Privacy Act 1988 for personal information. The bill prohibits the use and disclosure of network information except for specified purposes. It also includes a sunset provision so that the obligation on carriers to provide information would cease to have force 12 months after the commencement of the legislation. This will enable the government to meet its commitment to conclude the national broadband network competitive assessment process by the end of the year.

Carriers will retain ownership of their information and will continue to have full use of that information.

The information requirements that the minister has consulted with carriers on are
limited in scope, and can only be used for the purposes of building a broadband network. Any instrument issued as a consequence of this legislation would similarly be limited in scope. This measure will ensure a fair and effective competitive process for the benefit of the entire Australian community.

The bill enables the government to allow all parties in the market to compete on the merits of their proposals, not on the basis of control of information derived from their market position. This will increase competitive tension in the government’s process, resulting in the best possible outcome for the Australian public.

This bill creates a new proposed part 27A for the Telecommunications Act. Under this part, carriers would be required to provide specified information to the Commonwealth. The information would only be able to be disclosed to:

- an entrusted company officer of a company considering or intending to prepare a proposal. This would include directors and employees of such a company and its advisers; and
- an entrusted public official, which would include ministers, other secretaries, Commonwealth officers and employees and government advisers, to enable amongst other things consideration of proposals and advice to be prepared in relation to proposals.

The bill contains provisions to protect the information from unauthorised use and disclosure and specifies the circumstances in which that information could be disclosed by the Commonwealth and potential proponents.

The bill also provides the minister with the power to make legislative instruments setting out conditions that would have to be satisfied by potential proponents prior to them receiving carrier information, restricting or limiting the entrusted company officers to whom carrier information could be disclosed and setting out conditions for the storage, handling or destruction of carrier information. These provisions provide a further and flexible mechanism to address concerns, including those relating to national security, about the release of network information.

Subject to the conditions specified in the legislative instruments I have referred to, the bill would allow entrusted company officers to disclose the information to other entrusted company officers for the purpose of considering whether to make a proposal or preparing a proposal. It would also allow an entrusted public official to disclose the information to another entrusted official for the purpose of considering or providing advice in relation to the national broadband network process and proposals.

Breach of the non-disclosure prohibition by an entrusted public official would be a criminal offence under section 70 of the Crimes Act 1914 and breach of the provisions by an entrusted company official would be a breach of a civil penalty provision.

The bill is an important step in the competitive process for selecting the successful proponent that will build the new high-speed national broadband network that is so important to Australia’s future.

The bill as currently amended by the opposition in the Senate includes a mechanism aimed at providing some kind of protection to information provided voluntarily. While the government agrees protection of information provided voluntarily is appropriate, it is unclear how the scheme proposed by the opposition works or whether it would truly result in the provision of the information that is necessary to the national broadband network process.
This scheme cannot be supported. Instead the government will amend the bill to include a practical mechanism that will ensure that information provided voluntarily by carriers will have the additional legislative protections that are offered by this bill.

The bill has also been amended by the opposition in the Senate to include a range of unnecessary and inappropriate processes that will delay the national broadband network competitive assessment process. The government will amend the bill to remove the opposition’s amendments.

The passage of this bill today will allow all parties in the market to compete on the merits of their proposals, and will increase competitive tension in the government’s process. This bill is an important step in the competitive process for selecting the company that will build the new high-speed national broadband network that is so important to Australia’s future.

The bill enables the government to allow all parties in the marketplace to compete on the merits of their proposals, not on the basis of proprietary control of information derived from their market position. This will ensure a fair and effective competitive process for the benefit of the entire Australian community.

As a result, Australians will have access to high-speed broadband services and will be able to reap the ensuing benefits. This bill demonstrates the Rudd Labor government’s commitment to improving broadband infrastructure and ensuring Australia’s long-term prosperity.

Leave granted for second reading debate to continue immediately.

Mr BILLSON (Dunkley) (11.49 am)—We are faced with an extraordinary issue here in this parliament today. I commend the Minister for Infrastructure, Transport, Regional Development and Local Government, the member for Grayndler, for his speech on the Telecommunications Legislation Amendment (National Broadband Network) Bill 2008. It has such positive themes in it, belying the reality of what has actually taken place. Today is an occasion when Labor’s political hubris has hit the wall of the reality of the incompetence of the minister, a process that is poorly designed and a rhetoric of sound and targeted investment in infrastructure that has ended up being empty words. It will be interesting to see how the members opposite vote on this issue.

What has occurred, for no other reason than pure political headline-grabbing, is that the Minister for Broadband, Communications and the Digital Economy, Senator Conroy, has failed to translate political sound bites into sound public policy. He has been universally recognised as bungling this process, and there is not one major stakeholder in the industry that thinks this process is going well. His best ally in fact is the opposition. We have been quite thoughtful, constructive and helpful in our input, recognising that the availability of higher speed broadband to Australians who are seeking that service is an important national objective. Where our pathway diverges from the Labor Party is we are actually promoting the national interest, not some cheap Labor Party slogan. We have heard Labor running around in this place trying to perpetuate the fiction that Labor is a nation builder. Labor is a Labor builder and almost all that it does is done for its own political gain. This has never been more evident than in this process.

The process we are trying to remedy today is trying to establish where you should spend up to $4.7 billion of taxpayer money on improving the availability of broadband. The Labor Party has set itself a goal of 98 per cent availability for 12 megabits on a fibre network and then it has gone about trying to create the fiction that there is no such infrastructure out there already. What you have
seen through the election campaign is Senator Conroy arguing that Australia was somehow in the Flintstones age and the election of a Labor government would miraculously transform us into the Jetsons age. Neither is true. You have seen international think tanks recognising that Australia is well positioned—certainly with challenges before us because of the size of our continent and the appetite of broadband communications users—to provide broadband services and you have seen some of that analysis in some of the more thoughtful journals, such as CommsDay, that recognise where Australia is at present and the pathway we are on. Those facts belie the political line that the Labor Party has been running. So today we are faced with a bill. This bill is what we have characterised as a show-and-tell bill, and we recognise the need for and importance of it.

The Telecommunications Legislation Amendment (National Broadband Network) Bill 2008 aims to make sure, as the minister has mentioned, that carriers have data available to them that enables them to develop a proposal in response to Labor’s request for policy. This is the document they put out, which was not much more than political spin book-ended by some bureaucratic tender speak. The request for a policy has been out there for some time. You have bidders being asked to contemplate the investment of $9 billion to $10 billion, depending on who you speak to, on the basis of the most flimsy amount of information and evidence, and this process is already underway. Before this parliament today we are trying to again be helpful and constructive to this incompetent and inexperienced government to get an essential piece of this tender process in place. The process is already well advanced—it is a month along and rapidly heading towards the 25 July deadline—but there is still no legislative framework in place. There is precious little information out there that would enable people to develop accurate, thoughtful, costed and properly structured proposals. There is precious little information out there about what Labor’s public policy objectives look like. There is precious little information out there about the regulatory framework, the competition framework, the access, the pricing regime, the architecture required, the timing of delivery, or how the structural separation or otherwise of the successful bidder will operate.

What role does the government plan to play? There is talk about Labor wanting to have a commercial return on whatever the taxpayer investment is. If it is commercially viable, the private sector would be making those investments. This is old Labor seeking to impose itself without identifying a need for government intervention in an important area of our national economy and our social interests. It is an issue that is very important to many Australians. The Labor Party has comprehensively failed to articulate the basis for its plan and how this extraordinary process involving $4.7 billion of taxpayers’ money will get back on track. These are not the actions of a fiscal conservative. You do not spend $4.7 billion of taxpayers’ money to displace the private sector investment, to not be able to describe what it is you are trying to achieve and to not even canvass what the operating environment might be. Imagine going to a bank and saying, ‘I want to spend $5 billion. I do not know what the rules are, but I want to spend $5 billion.’ Why? Because that is the headline-chasing line that Labor has put out there.

Labor have created this problem themselves. They have had a sound bite based on a policy that was one telco’s plan for its future. Labor have picked it up to try and make it part of their political future. That is what this is about. There has been no analysis, no identification of the national interest, no ef-
fort to understand what is right, proper, robust and sustainable government intervention, no indication that they recognise that there is private sector investment and assets around Australia. The member for Sydney sits opposite to me. I wonder if she has any idea at all how much of Sydney already has available to it 12-megabit broadband services and beyond. I wonder if anyone has even bothered to make that calculation. The coalition had. It recognised that, across Australia, there are areas of service disadvantage where the marketplace was not providing the services for broadband and communications, which are quite reasonably expected by rural and regional people, that were available to metropolitan people, by and large.

The former coalition government put in place the OPEL project to address that. That project was structured properly. It was based on an identification of where the market was not responding to a reasonable expectation of what broadband and communication services people might want. There was a clear understanding of the structural separation so that it was not advantaging any particular telco provider. What does the Labor government do when it gets elected? It junk’s the very policy that was built on those sound public policy principles on the most spurious of information that it will not release. So much for transparent and open government! So much for accountability! Where is the material, Minister? Where is the data on which you have based a decision claiming that the deliverables are not meeting the contract? Where is it? The industry believes the implementation plan for OPEL outperformed what was required of the contract. Yet, in pure political spite, Labor wipes that out. If open and transparent government means anything, if evidence based policy making that we hear so much about means anything, release the material, Minister. It is an outrageous abuse of power.

We have a bill before us to make sure that basic information is available to enable tenderers to lodge a bid. How ironic! The minister overseeing this debacle of a process is the same minister who wrote to the Auditor-General complaining about the previous government’s process in OPEL. He was put straight by the Auditor-General that against the evaluation criteria all the proposals had been properly evaluated, and that there was none of the nastiness that the now minister talked about. It was a proper and reasonable process driven by clear public policy principles, properly administered in a transparent and consistent way and with all probity requirements met. Yet the minister said, ‘Tender participants have indicated that the information was not provided to other tenderers for many weeks.’ The minister himself said, ‘Given the limited period allowed for the preparation of bids for this tender, this delay in providing equal information to all participants significantly disadvantages some bidders.’ What do you do with a minister who makes a political point when he is in opposition, does not take into account the Auditor-General’s advice and then makes the most catastrophic compounded error—like the one he was pointing to—when he is the minister? This is a most remarkable process.

This is the same minister who, this morning, rang me to see if we would again bail him out of trouble, as we did in the Senate yesterday, when the minister and his government could not get the government’s own amendments considered in the time available. He throws himself on the opposition and says, ‘Please, please rescue me from this disaster I have created.’ He rang me again this morning and said, ‘I expect you will characterise my phone call, Bruce, as begging, grovelling and gagging.’ Yes, he is absolutely right. We gave an undertaking to have this bill passed in this place by 11 o’clock so that it could get back to the Senate
to be dealt with. And guess what? The minister has missed another deadline. He could not even deliver on that timeframe we had accommodated for him in another act of constructive and helpful engagement in this process. This is more about saving Stephen Conroy from himself. This is too important to leave to this minister who is making error after error after error.

We have seen, I think, six items of government business already transacted here this morning. So urgent was this that the minister put out the most ridiculous press statement yesterday having a go at me and the coalition for rescuing him from his own incompetence. Is there no end to the gall of this man? Does he think running the government is like some factional deal where you just muscle up and ignore the truth? Come on, Minister! He is having a go at us for actually facilitating the process that he could not organise for himself. The time available was not enough to deal with the government’s own amendments, but then when our amendments were universally recognised in the telecommunications community as a vast improvement on what the government was offering he got cranky about that.

There is a reason the minister does not know the mood of the telecommunications community: he does not talk to them. It was up to the opposition to discover that there had secretly been some government amendments dropped out there. There was no notification to us. It was done the night before and then we were expected to accommodate the shambolic process that he had overseen. He did not consult anybody. If he had, he would have known that there is considerable support right across the telecommunications community, across the users of these services and across policymakers and analysts for the actions the opposition has taken. But he would not know that because, just as he did not contact the opposition about their amendments and did not consult anybody about them, he certainly did not consult any of the key stakeholders that these amendments are aimed at. So the press release that came out yesterday accusing us of slowing up the process when we saved his bacon is just more of the hubris we expect from this minister.

What we have before us today is a bill to make crucial information available on a tender process that has already been going for a month on $4.7 billion of taxpayer money on a proposition that they cannot even define operating in a regulatory environment that they have not even canvassed. They have not even discussed the kind of network architecture they want to deliver and they will not even raise what the implications will be for cost and pricing for users, when all the evidence points to the fact that it will cost more to get your communications services. It could be an inflationary measure, if it is handled poorly, and the evidence is there that the minister will handle it poorly.

This is a bill which got dropped into the Senate on the second last day it sat, which sat around in the Senate yesterday and the day before while they did other things that were thought to be more important. The minister then claimed that we were holding up the bill because we were facilitating the debate on it, and now it is here in the House a day later. It was introduced about 30 minutes ago and you will see the government gag the debate on this bill just so it can get back to the Senate. What kind of a shambles is this? When a national security bill needs to be dealt with quickly, we have seen the parliament work this process nimbly. A bill can be introduced, discussed, debated and dealt with on the one day. This is rare. There are some national security examples. There was the need to respond to the equine flu. There have been issues with unquestioned bipartisan support such as the increases in veterans
pensions that I oversaw in the previous government. But, with this thing, the only interest we are protecting is Senator Conroy’s because he has made such a hash of it.

Let us run through some of the issues. What we will be voting on shortly is a bill that has just arrived. I had to ask Senator Conroy’s staff, so worryingly truncated is this process, if the bill actually is what we think it is because nobody has had a chance to look at it. No-one has had a chance to confirm that the amendments that were passed in the Senate are actually in the bill or that the amendments the government seeks today to introduce and pass, which will knock off those improvements to the bill, are the right amendments. No-one knows that. Parliamentary scrutiny is relying on the word of Senator Conroy’s staff. I take their word because I respect the staff. I feel for them. Imagine working for Senator Conroy! He cannot organise anything. Here is another example of how this opposition is working constructively and helpfully to bail him out of his own problems.

The debate today is a fascinating one. We are looking at amendments that were passed in the Senate that followed an out-and-out condemnation by the Parliament of Australia of Senator Conroy and the Rudd government for their disorganised and unprofessional fibre-to-the-node process. It is a shambolic process. The tender does not have information to enable people to build. This is $4.7 billion of taxpayers’ money and nobody, including the senator, can define what it is going to be spent on. At a recent telecommunications industry conference, one of the leading thinkers in the industry said, ‘There is more detail in a tender to buy photocopiers than there is in this $4.7 billion taxpayer spend.’ So this is what we are faced with.

It is terrific that the minister for infrastructure is opposite because we have also heard wonderful words about evidence based policy, how Infrastructure Australia will be our saviour and that one of its tasks will be to properly evaluate important infrastructure projects to identify the public interest, what problems we are seeking to address, how you go about evaluating various avenues of taxpayer involvement—whether it is a regulatory change, a facilitation role or direct investment—and whether the competition framework is supportive of this or not, so that that sound public policy process that Labor keeps heralding actually will amount to something. It was all about them having a slush fund to spend prior to the last election.

If you believe anything that the member for Grayndler has said about this process, you would support the opposition’s amendments that seek to put into this process those very elements that make sure there is value for money for the taxpayer. I do not have time to detail them, but anybody even remotely interested in sound public policy would see that our amendments aim to deliver what is expected of any government spending $4.7 billion of taxpayer money. All of those requirements are completely absent in this process where a political sound bite is now halfway through a tender process and there is no definition of what the public policy goals are, what the regulatory environment might look like, what is going to happen to people who might not succeed or what infrastructure is out there currently. There has been no discussion whatsoever about that yet people are expected to put in a bid.

I would invite any of those Labor Party members who spoke so majestically about the Infrastructure Australia Bill to see if they can cope with their first test: either they are in this place pumping out hubris and cheap political slogans as apparatchiks of the Labor Party or they actually believe in something. If any of these people—the members for Grayndler, Page, New England, Maribyr-
nong, Charlton, Shortland, Oxley, Forde, Isaacs, Banks, Werriwa, Ballarat, Wills, Throsby, Newcastle, Brand, Robertson, Lingiari, Blair or Blaxland—believe any word they said on the Infrastructure Australia Bill, they will support us, because that is what we have put in the bill and what their government wants to cut out of it today.

Another issue that is in the bill is the careful management of the information that is available. If you do not know why that is important, just read today’s newspapers. If you do not know why our confidentiality provisions and the duties of and obligations on public officials are important, have a look at today’s newspapers. Have a look at some of the clips today that already report some disquiet about the information that has been provided voluntarily, because of a leak. Read that eminent journalist’s article today. This protected carrier information must be properly handled, not only by the carriers and those developing bids but by the public servants involved in this process, and the coalition has put amendments in place to make sure it is. Why is that important? Read today’s newspapers.

The G9 consortium is upset that the material voluntarily provided by Telstra is inadequate, and they go to some length to describe concerns about rural and regional information. How do they know that? On the basis of a leak. Was it Telstra’s leak to damage their self-interest, or where did it come from? Ask yourself why these provisions are necessary, why there needs to be constraint on the use of the material, why there needs to be some encouragement for voluntary provision—which is why our amendment is superior to the government’s—and why there is a need to completely remake the expert panel and get the proper expertise on it to carry out the jobs of those agencies like the ACCC, the Productivity Commission and the Infrastructure Australia group, which have been side-lined by this shambolic process that Robert Mugabe would be proud to call his own.

Carriers have been gagged from debating throughout this process. The parliament is about to be gagged as well. To the speakers on our side who wanted to speak to it: I feel very sad for you that something as important as this has been handled so appallingly. The gag is now going to be subjected to this parliament. This is an abomination and will stand as one of the worst days in parliament this building has seen for many years. *(Time expired)*

Mr ALBANESE (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (12.09 pm)—in reply—As part of its election commitment to boost Australia’s productivity, the Rudd government has committed up to $4.7 billion and will consider regulatory changes to facilitate the rollout of a national broadband network. This will be the biggest national investment in broadband infrastructure ever made by an Australian government. The national broadband network will rival the Snowy Mountains scheme in its scale and national significance. It will provide infrastructure to transform our society and our economy, moving us confidently into the digital age.

The national broadband network will be foundation infrastructure. It demonstrates our commitment to investing in infrastructure vital to Australia’s future long-term prosperity. Access to high-speed broadband services is critical to Australia’s future long-term economic prosperity, our international competitiveness and our social wellbeing. The national broadband network is expected to provide minimum speeds of 12 megabits per second to 98 per cent of homes and businesses. It will be rolled out and made progressively operational within five years.
The government is also committed to promoting competition. This is why the national broadband network will be an open access network. Access arrangements will provide for equivalent access terms for all competitors that use the network. They will also provide scope for access seekers to differentiate their product offerings by allowing the customisation of access speeds, quality of service and contention ratios. This will facilitate real competition, delivering high-quality and efficiently priced services.

The national broadband network will provide a platform for sustainable growth for our economy for many years to come. The government is committed to the expeditious delivery of these outcomes and is moving quickly and methodically to ensure a timely outcome. So that the nation achieves the best outcome from this process, the successful proponent will be selected through a competitive assessment process, assessed by a panel of experts. Last month Senator Conroy, the Minister for Broadband, Communications and the Digital Economy, released the request for proposals that calls for proponents to develop and submit innovative bids that meet the government’s objectives. Proponents will be required to put forward the costings associated with their planned fibre based networks.

The government accepts that, in order to ensure all potential proponents are assessed on an equal footing, knowledge of existing network infrastructure is required. It is likely that any fibre based proposal will need to draw on or augment elements of Telstra’s existing customer access network as well as network information belonging to other carriers. As the amount of information in the public domain regarding Telstra’s customer access network is not extensive, the government is seeking provision of network data. That is why the Department of Broadband, Communications and the Digital Economy is working with carriers to achieve a voluntary outcome for the provision of all of the data that is required. Telstra has recently provided some information voluntarily, which the department is currently reviewing. However, the government’s view remains that it is important to have a legislative framework in place.

This bill has been considered by the Senate Standing Committee on Environment, Communications and the Arts, which released its report last week. The Senate committee recommended that the bill be passed, subject to consideration of the committee’s report. This was a unanimous recommendation. What we have seen from the shadow minister today is a personal attack on the minister, because there was no substance to be offered in criticising the performance of the minister or the performance of the Rudd government in advancing broadband to make sure that we move into this century. After 12 years of neglect, after 12 years of failure from those opposite, the shadow minister was reduced to personal attacks on the minister. The Rudd Labor government is committed to ensuring all Australians have access to high-speed broadband services.

This bill is an important step in the competitive process for selecting the company that will build the new high-speed national broadband network that is so important to Australia’s future. The bill enables the government to allow all parties in the marketplace to compete on the merits of their proposals not on the basis of proprietary control of information derived from their market position. This will ensure a fair and effective competitive process for the benefit of the Australian economy.

The new network will ensure Australia’s future prosperity, providing a platform for sustainable growth for our economy for many years to come. Coming on top of the
budget announcement on Tuesday night which had at its centrepiece planning for the future including the $20 billion Building Australia Fund, this is good legislation to bring Australia into the 21st century and I commend it to the House.

The DEPUTY SPEAKER (Ms JA Saffin)—The question is that this bill be now read a second time.

A division having been called and the bells being rung—

Mr Neville—Madam Deputy Speaker, is it intended that the bill will be considered in detail?

The DEPUTY SPEAKER—That is my understanding, after the second reading debate.

Mr Billson—That is a very important issue because my friend and colleague the member for Hinkler was very hopeful of speaking on this bill and in my discussions with the minister this morning we were supposed to have been allowed a small number of speakers. One is a small number and is certainly not what was discussed and agreed this morning. I am optimistic that the member for Hinkler will have an opportunity to speak. There were many colleagues on the opposition side who were keen to speak but were denied the opportunity. That is why this gag is appalling.

The DEPUTY SPEAKER—I was waiting for other members to seek the call. Nobody sought the call, so nobody has been gagged from the perspective of the chair. Nobody sought the call.

Mr Neville—On indulgence, there was, firstly, an agreement between the minister and the shadow minister. Secondly, there was an agreement for a small number of speakers. I was in my place ready to speak. If that were the case, why did you not call on me?

The DEPUTY SPEAKER—This debate needs to happen with others. If you had sought the call, you would have got the call from me. There was no call sought. So please canvass this with the respective whips and ministers.

Question put.

The House divided. [12.20 pm]

(The Deputy Speaker—Ms JA Saffin)

| Ayes | 77 |
| Noes | 60 |
| Majority | 17 |

AYES

Adams, D.G.H. Albanese, A.N.
Bevis, A.R. Bidgood, J.
Bird, S. Bowen, C.
Bradbury, D.J. Burke, A.E.
Butler, M.C. Byrne, A.M.
Campbell, J. Champion, N.
Cheeseman, D.L. Clare, J.D.
Collins, J.M. Crean, S.F.
D’Ath, Y.M. Danby, M.
Debus, B. Dreyfus, M.A.
Elliot, J. Ellis, A.L.
Ellis, K. Emerson, C.A.
Ferguson, L.D.T. Ferguson, M.J.
Fitzgibbon, J.A. Garrett, P.
Georganas, S. George, J.
Gibbons, S.W. Gillard, J.E.
Gray, G. Grierson, S.J.
Griffin, A.P. Hale, D.F.
Hall, J.G. Hayes, C.P. *
Irwin, J. Jackson, S.M.
Kerr, D.J.C. King, C.F.
Livermore, K.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.
Raguse, B.B. Rea, K.M.
Ripoll, B.F. Rishworth, A.L.
Roxon, N.L. Shorten, W.R.
Sidebottom, S. Smith, S.F.
Snowdon, W.E. Sullivan, J.
Thursday, 15 May 2008

HOUSE OF REPRESENTATIVES

2925

Swan, W.M. Symon, M.
Tanner, L. Thomson, C.
Thomson, K.J. Trevor, C.
Turnour, J.P. Vamvakinou, M.
Zappia, A.

NOES
Abbott, A.J. Andrews, K.J.
Bailey, F.E. Baldwin, R.C.
Billson, B.F. Bishop, B.K.
Broadbent, R. Ciobo, S.M.
Cobb, J.K. Coulton, M.
Downer, A.J.G. Dutton, P.C.
Farmer, P.F. Forrest, J.A.
Gash, J. Georgiou, P.
Haase, B.W. Hartsuyker, L.
Hawke, A. Hawker, D.P.M.
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. Mirabella, S.
Morrison, S.J. Moylan, J.E.
Neville, P.C. Pearce, C.J.
Pyne, C. 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.
Tuckey, C.W. Turnbull, M.
Vaile, M.A.J. Vale, D.S.
Washer, M.J. Wood, J.

* denotes teller

Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr ALBANESE (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (12.27 pm)—I present a supplementary explanatory memorandum to the Telecommunications Legislation Amendment (National Broadband Network) Bill 2008. I seek leave to move government amendments (1) to (18) together.

Leave granted.

Mr ALBANESE—I move:

(1) Schedule 1, item 10A, page 4 (lines 16 to 18), omit the item.

(2) Schedule 1, item 11, page 5 (line 1), omit “An eligible carrier”, substitute “A carrier”.

(3) Schedule 1, item 11, page 5 (lines 20 to 28), omit all the words beginning with “If a carrier enters” and ending with “direction issued by the Minister.”.

(4) Schedule 1, item 11, page 6 (lines 10 and 11), omit the definition of eligible carrier in section 531B.

(5) Schedule 1, item 11, page 8 (before line 18), before paragraph (a) of the definition of protected carrier information in section 531B, insert:

(aa) any information that was given by a carrier to an authorised information officer during the period:

(i) beginning on 27 February 2008; and

(ii) ending 12 months after the commencement of this Part;

where, after the information was given, an authorised information officer gave the carrier a written undertaking, on behalf of the Commonwealth, that:

(iii) after the commencement of this Part, the information would be treated as protected carrier information for the purposes of this Part; and

(iv) the information would not be disclosed by an authorised information officer before the commencement of this Part; or

(6) Schedule 1, item 11, page 9 (line 26) to page 9 (line 20), omit “eligible carrier” (wherever occurring), substitute “carrier”.

(7) Schedule 1, item 11, page 11 (line 1), omit “Eligible carriers”, substitute “Carrier”.

CHAMBER
(8) Schedule 1, item 11, page 11 (line 3), omit “Eligible carriers”, substitute “Carriers”.
(9) Schedule 1, item 11, page 11 (lines 6 to 16), omit “eligible carrier” (wherever occurring), substitute “carrier”.
(10) Schedule 1, item 11, page 11 (line 27), to page 12 (line 33), omit section 531FA.
(11) Schedule 1, item 11, page 13 (lines 8 to 12), omit subsection 531G(1A).
(12) Schedule 1, item 11, page 18 (after line 26), after subsection 531G(4), insert:
(4A) An entrusted public official is not required to give a carrier an opportunity to be 
heard in relation to a decision to use information 
under subsection (3A).
(13) Schedule 1, item 11, page 20 (lines 29 to 33), omit subsection 531K(1A).
(14) Schedule 1, item 11, page 22 (lines 26 to 33), omit “subsections (1) and (1A)” (wherever occurring), substitute “subsection (1)”.
(15) Schedule 1, item 11, page 23 (lines 10 to 16), omit paragraph 531L(1)(ca).
(16) Schedule 1, item 11, page 23 (lines 22 to 25), omit subsection 531L(2).
(17) Schedule 1, item 11, page 25 (lines 9 to 12), omit subsection 531P(1), substitute:
(1) The Minister may, by legislative instru-
ment, make rules relating to the storage, 
handling or destruction of protected car-
rier information.
(18) Schedule 1, item 11, page 26 (line 3), to page 
31 (line 13), omit Division 4.

The opposition amendments are opposed as they are technically flawed and are unnecessary because they are already covered by a number of the government amendments. The opposition, we know, have an appalling track-record when it comes to delivering a modern broadband system for the 21st century. They had 18 failed broadband plans in 11½ years. The opposition are indeed responsible for the digital divide. They were happy to sit back and let the industry deliver some broadband services to the capital cities while they left rural and regional Australia behind. This government has committed to bringing broadband for Australia into the 21st century as a part of its commitment to nation building through modern infrastructure.

Mr NEVILLE (Hinkler) (12.29 pm)—This is an outrageous circumstance that we are faced with today. This is one of the most important bills in this parliament—I am sure I speak for all my colleagues on this side of the House—for all Australians, especially those from country areas. Is it not bad enough that we have had the communication funds cancelled? We had a $4.7 billion scheme which could, at least in part if not in totality, be delivered by the private sector and which is now going to be provided by the government in the very areas where it could look after itself. And worse than that, out in regional Australia we are told that this new fibre-to-the-node system will probably not get to us until 2012-13. That is simply not good enough.

Let me mention the circumstances in my own electorate, which are very similar to those in Wide Bay and Greenway. Nearly all our electorates were covered by the OPEL signal. One small corner of my electorate was not covered. In addition, we had three very extensive areas of ADSL2+. Now we are cancelling that and I find that in my electorate at places like Kalkie, Avoca, Branyan, Urangan and Bagara there are no ports available. Telstra has admitted these things: ‘There are not enough ADSL ports in these suburbs. There will not be any upgrades in the foreseeable future. Their best option is to take up wireless.’ Hey! Have Telstra missed something? Has Senator Conroy missed something? The very thing that the government’s scheme was supposed to obviate is now being offered by Telstra. Telstra is offering wireless, the very same wireless that the minister in the Senate and the minister at the table, the Minister for Infrastructure, Trans-
port, Regional Development and Local Government, are saying had to be cancelled.

In the short time available, I cannot canvass all these issues, but to me it seems suspiciously as though the government has, either wittingly or deliberately, re-monopolised Telstra. This is the re-monopolisation of communications. So I suspect the very thing that the government cancelled will, if we want to get coverage before 2013, have to be delivered by wireless. That is exactly what the OPEL project offered. I am not saying that the OPEL project was faultless. It could have gone a lot further west. My friend the member for Maranoa was particularly concerned that, if you drew a line from about Charters Towers through Emerald, Dalby and Gunnedah to about Shepparton, anything west of that was problematic, and I certainly did not approve of that.

For the people of my electorate, this was a great solution—also for the people of Greenway and Wide Bay. Now we will have those same people waiting up to five years to get broadband. In the areas I am talking about—Hervey Bay, Maryborough, Noosa, Bundaberg, Western Sydney—we have universities and important industries which want high-speed ADSL. As part of our inquiry, we discovered that Telstra have quarantined some of these ports. I suspect the reason is so that they will not have to share them with their competitors. I say to the minister at the table that this ‘clear and transparent’ thing is anything but. I would also say that in the city of Hervey Bay—a rapidly expanding city—80 per cent of people will not be able to get high-speed ADSL because they will be reliant on pair gains and RIMs. This is a shambles. To reduce this important debate down to one speaker to the second reading and one during consideration in detail is outrageous.

Ms MARINO (Forrest) (12.34 pm)—I rise to voice my concerns about the Telecommunications Legislation Amendment (National Broadband Network) Bill 2008. Federal Labor promised to connect 98 per cent of Australians to high-speed broadband internet services with the rollout of a new fibre-to-the-node network but has provided a very short time frame of 25 July for tenderers to develop and cost their bids. This needs to be a truly competitive process to ensure proposals are accurate and efficient in order to facilitate such a rollout using taxpayer funding.

But an important element in efficiently deploying a fibre-to-the-node network for the national broadband network is likely to be the efficient use of existing infrastructure, particularly elements of Telstra’s fixed-line customer access network and elements of certain carriers’ optical fibre core networks. All proponents need to have access to this information. But it still may not be sufficiently detailed or technical for a proponent to develop with confidence a fibre-to-the-node network design and costing. If this information is not available early in the process, some proponents will be at a competitive disadvantage in terms of their development proposals for accurate commercial submissions to the national broadband network process.

This legislation was designed to facilitate the exchange of crucial information relating to existing fibre broadband infrastructure and provide confidentiality protections in relation to its use. This information is required by telecommunications carriers wanting to lodge a proposal for the construction of a national broadband network. More than a month ago Senator Conroy put out a formal request for proposals with a tight 25 July deadline knowing that potential bidders did not have access to necessary information in order to cost and shape credible bids. Despite the lack of detail surrounding the government’s proposal, the only certainty is that the
government is willing to spend $4.7 billion of taxpayers’ money on a broadband plan, without a tender process that reflects the magnitude of this critical infrastructure project.

National broadband network tenderers require technical information about certain aspects of the existing fixed network in order to develop and cost their bids. The amendment would insert a new part 27A into the act. Part 27A would set out a scheme for the provision of information as specified by the minister in a disallowable instrument and for protection of the information provided by carriers.

The bill itself says very little. Neither does the bill provide any detail or clarity as to how confidential information will be protected from misuse. The minister made an earlier threat that, if telcos did not provide information about existing network infrastructure, he would legislate to make them. Despite a willingness by companies to provide information on a voluntary basis, with appropriate safeguards in place, which could have been negotiated, the minister quickly pressed forward to deliver on his legislative threat.

The demand for telecommunications carriers to detail all of their existing infrastructure and private investment highlights how competition and market forces are driving significant fibre deployment and the rollout of higher speed broadband networks. Telstra, which holds the vast majority of existing fixed-line broadband infrastructure information, has already handed over to the department details about existing exchanges, pillars, distances through ducts et cetera—material which would assist proponents in costing and developing their bids. Confidentiality of protected carrier information is vital.

The opposition are committed to assisting the government to get its muddled national broadband network process on some type of credible track. While we do not intend to oppose this bill, we are seeking to make some important amendments. This bill as it stands raises more questions than it answers. The opposition are committed to doing all we can to ensure this bill is a clear and detailed piece of legislation that assists with the exchange of existing broadband infrastructure information while providing adequate safeguards for how this information is used. This is particularly important in my electorate of Forrest.

The government argues that considerations will be addressed in the yet to be disclosed instruments. However, safeguards are already available through the ACCC, the Productivity Commission and Infrastructure Australia. The government should not sideline these agencies but include them in the process.

The tender deadline needs to be extended to allow for a more realistic and fair process for all potential proponents. The government should have put more detail into its national broadband network policy to bed down crucial regulatory detail before going to tender. It should also understand the commercial reality of seeking tenders. For parties to enter into an agreement, full disclosure by both parties is required—all parties being fully aware of all conditions and knowing present and future considerations. (Time expired)

Mr Billson (Dunkley) (12.39 pm)—I reiterate that the government has got this wrong. We are being asked to consider in detail, without considering in detail, amendments that displace coalition amendments, opposition amendments, in the Senate that are superior in everybody’s view except the minister’s. Industry believes so and the
drafters believe so, but we do not have the
time to go into those specifically.

Given the ridiculously tight time frame,
the amendments included by the Senate ad-
dressing the voluntary disclosure arrange-
ments and putting in place some encourage-
ment for people to behave that way—issues
about disclosure of that information; the du-
ties of officials, whether they be of the com-
pany or in the Public Service; the safe har-
bour provisions for encouragement of volun-
tary disclosure; compensation arrangements
where there are damages incurred; how the
storage and handling and destruction of pro-
tected carrier information is handled; and our
improved ministerial advisory process—are
all being knocked off by this process.

I undertook to be positive and constructive
with our input and our approach. We have
done so, and the government has ignored all
of this input that the industry believes has
been very worthwhile. We will not be divid-
ing on each individual measure in this con-
sideration in detail stage. To avoid Senator
Conroy misrepresenting our behaviour, the
opposition have again facilitated this proc-
cess. We have made our argument. We are not
impeding the passage of the bill. In fact,
without the opposition’s assistance, Senator
Conroy would not have a bill going through
this parliament and back to the Senate. Just
for the record, we oppose these amendments
and believe that the government is very
short-sighted in not embracing the very con-
structive, wise and considered input that the
Senate provided.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr ALBANESE (Grayndler—Minister
for Infrastructure, Transport, Regional De-
velopment and Local Government) (12.42
pm)—by leave—I move:

That this bill be now read a third time.
Question agreed to.

Bill read a third time.

RESERVE BANK AMENDMENT
(ENHANCED INDEPENDENCE)
BILL 2008

Second Reading

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

That this bill be now read a second time.

Mr SECKER (Barker) (12.42 pm)—
Finally, I get to speak on the Reserve Bank
Amendment (Enhanced Independence) Bill
2008 after the interruptions that we have had
to our business. I note that this whole bill is
really just a stunt to try to show this govern-
ment as being economically conservative. In
fact, the then Leader of the Opposition for
many months continued to state ad nauseam,
‘I’m an economic conservative and I’m
proud of that fact.’ That was Kevin Rudd’s
mantra for virtually the last 12 months. He
had to repeat that mantra when his advertis-
ing agency told him to because when Labor
were last in office the budget was $10 billion
in deficit. This was after that whole period
leading up to the election when the Labor
finance minister at the time, Kim Beazley,
continued to assert that the budget was in
surplus, as they had predicted in their budget
before that. Not only was it more than $10
billion in deficit at that time; they had run up
$96 billion of debt in their time in govern-
ment.

If you look at the history of this great
country, it is very interesting to note that, in
the 90 years from Federation—when we had
to build a parliament, a city and all the infra-
structure that we needed and when we had
world wars and other skirmishes all around
the globe—we accumulated as a country a
total of $16 billion of debt. So it took us 90
years to accumulate $16 billion of debt. Over
the next five years that $16 billion, which took 90 years to accumulate, was repeated every year. So in five years we went from $16 billion in debt to $96 billion in debt. As a result of the good management of the Howard coalition government, we got rid of that $96 billion of debt. The present government now finds itself in such a magnificent position financially due to the Howard and Costello budgets over that period of government.

At the same time that we were reducing this country’s debt of about $96 billion—in fact, we were in surplus to the tune of about $60 billion by the time we left government—the state Labor governments were increasing their debt. If Labor do not do it federally they certainly do it at the state level. In fact they have now increased government debt in Australia almost to the same level as federal Labor had when they were in government from 1983 to 1996. So the states are still increasing their debt—and that is despite the fact that they have had a windfall revenue flow from the GST, and from land taxes because of the value of land. They have continued to increase their debts even with those extra flows.

It is very interesting to look at the example of what happened in South Australia. Despite them probably getting about $500 million extra in revenue than they would have under the old system they frittered it all away. One of the ways they did that was very easy to pick when you look at their employment record. They predicted that they would increase employment in the public service by about 222 people a year—one per cent. You would say that that was pretty reasonable, and after five years you would expect about 1,100 extra people in the public service in South Australia. In fact the increase was 11,000, not 1,100. That is where most of the extra revenue has gone—not through the building of better infrastructure, because we all know that in South Australia they have done very little. In fact, they have been very much a do-nothing government.

This economic conservatism is a mantra; it is a catchphrase; it is political rhetoric; it is a label. And it is about as convincing as a leopard changing its spots. But the now Prime Minister continues to draw upon that sort of mantra to try to convince people he is a conservative. For the first time we have seen a leader doing an advertisement in this country to try to convince people he is an economic conservative, despite the fact that Labor failed to support virtually all the measures that the Howard government took to put this country in the good position that we now enjoy. At every turn Mr Rudd tried to frustrate those efforts by the previous government to enhance its strong economic record.

It follows that, as long as times are good, pretty much anyone can cast themselves as an economic conservative, because the Labor government have the money to spend, whereas when we came into government—as I said previously—we were $96 billion in debt and were facing, in one year alone, a $10 billion black hole. Those opposite are faced with being perceived in such a way because of their appalling record of inability to manage the economy. All of a sudden perceptions count a lot for Labor.

The Prime Minister had to do some pretty slick branding that would address perceptions about previous Labor governments’ inability to manage the economy. That branding has to be full-on and repeated ad nauseum, because the Australian public is pretty much aware that Prime Minister Rudd and his union mates will ruin this economy with their heavy-handed inflationary wage policies.

Perceptions are also what the Reserve Bank Amendment (Enhanced Independence)
Bill 2008 is all about. It is a stunt. It is yet another public relations exercise—a bit like calling yourself an economic conservative. This time, however, the perception, notwithstanding its title, does nothing to enhance the independence of the Reserve Bank. The bill makes the Governor-General rather than the Treasurer responsible for the appointments of the Governor and the Deputy Governor of the Reserve Bank of Australia. Their appointments will be made by the Governor-General in Council and can be terminated only with the approval of both houses of parliament in the same session of parliament, and they can no longer be dismissed by ministerial fiat.

I suspect that this is to be used as a further template for appointing a Governor-General in a minimalist republic. Do not be surprised if this template for appointment of the Governor and the Deputy Governor of the Reserve Bank is used in the future to bring on a republic. Some people will agree with a republic and some people will not, but I believe that this is being used as a template for the future.

In practice, however, there is not a serious threat under the existing arrangements to the independence of the Reserve Bank of Australia. Senior officers have always enjoyed a high degree of effective independence, despite former Prime Minister Keating suggesting he had the Reserve Bank governor in his pocket, which treated the position with contempt. Despite that, governments other than that one have recognised that the Reserve Bank governor and deputy governor enjoy a strong reputation.

International capital markets would have reacted severely, by marking down Australian dollar denominated assets, in response to any attempt to compromise the Reserve Bank of Australia’s independence. Section 11 of the Reserve Bank Act 1959 already provides a procedure for resolving policy differences between the RBA board and the government of the day. In fact, the Treasurer can override a decision of the RBA board but the procedures are so politically demanding that their nature reinforces the Reserve Bank’s independence in the conduct of monetary policy.

That no treasurer has invoked these procedures strongly suggests that the existing arrangements already afford the RBA a high degree of effective independence. In fact, the RBA’s willingness to raise interest rates in the middle of the 2007 campaign clearly shows that they are not politically intimidated by any government—and so it should be. The new arrangements proposed in this bill may instead err in the direction of affording the Reserve Bank’s senior officers too much protection. Under this bill, the Treasurer would surrender the right to fire the central bank boss, even if the governor was irresponsible or incompetent. The only grounds for dismissal would be insanity, insolvency, or if the office holder took a second job—which is highly unlikely at the pay that they get. Central bank independence needs to be balanced with accountability for performance, especially in relation to inflation outcomes. Under the new arrangements, it will be even more difficult to remove an RBA governor for poor performance, and I can imagine an opposition using any opportunity they could to make it difficult for a parliament to actually dismiss a Reserve Bank governor. I am sure it would become very political, whereas under the present arrangements, whilst there may be some sort of criticism, the action would be over pretty quickly.

The proposed laws on the termination of office are part of a package which the government hopes will give the Reserve Bank greater independence from ministerial interference. This is at odds with the statement by
the then Leader of the Opposition, Kim Beasley, on 11 December 1996 when he said about the Reserve Bank:

The Reserve Bank is overly concerned about the wages position; it has been for some considerable time.

And later he said:

The inflation rate under us—and it will be so under you too—is less than anticipated and therefore, there is room for far more movement in interest rates than immediately meets the eye. I hope the new Governor of the Reserve Bank will bear that in mind.

This is the attitude of the Labor Party, whether in government or in opposition. This unsubtle interference sits well with Paul Keating’s quote that when he was Labor treasurer he had the Reserve Bank in his pocket.

This bill is nothing but a stunt. The timing of the bill is quite ironic. We know the Reserve Bank directors are prepared to use interest rate rises to fight any threat of rising inflation. I wonder how the Reserve Bank directors are feeling about Tuesday’s inflationary budget that actually manages to increase spending by 1.1 per cent in real terms. That is 1.1 per cent above the inflation rate—4.5 per cent in reality. So we have increased spending in the coming year, and by twice that further down the track, and increased taxation and unemployment despite hundreds of spending cuts which most unfairly target rural and regional Australians. There is no doubt that this budget was a kick in the guts for people who live in rural and regional areas.

But not only that, this bill is sloppily drafted and reflects the poor handiwork of those who would call themselves economic conservatives committed to an independent central bank, while at the same time being clueless enough to submit a bill that would allow a corrupt, misbehaving Reserve Bank governor to remain in office because one house of parliament chose not to vote him or her out. The Reserve Bank is a respected, independent organisation. This bill adds nothing to the value of the organisation; rather it is all about perception. The new arrangements in relation to the RBA’s senior officers reinforce its independence on paper, but in practice the new government has addressed a non-existent problem by taking measures that may actually detract from central bank accountability rather than enhance central bank independence.

Mr GRAY (Brand—Parliamentary Secretary for Regional Development and Northern Australia) (12.57 pm)—I rise to speak on the Reserve Bank Amendment (Enhanced Independence) Bill 2008. I welcome the opportunity to make a contribution to the debate on this bill. The independence of the Reserve Bank of Australia is critical to the process of settling monetary policy in Australia. Transparent deliberation by the Reserve Bank of Australia gives the public and business confidence in the Reserve Bank. This bill strengthens the independence of the Reserve Bank of Australia, the RBA, while it and other measures support transparency. With the important role the RBA plays and the impact its decisions, warnings and commentary have on business and everyday working families, this bill improves the bank’s operation and allows investors, business and the general public to have even greater confidence in the Reserve Bank.

Having a central bank that is not independent and free from political interference creates a dangerous situation in which monetary policy decisions are potentially tainted rather than suiting the needs of the economy. It is argued—and this is an argument that I agree with—that an independent central bank provides better advice, insights and warnings to government and business. An independent central bank operates a more credible mone-
tary policy because it is expected to stay the course despite short-term political winds. It is also critical that, from time to time, the Reserve Bank gives advice to the government, and of course it is assumed that the government considers the advice.

In their last term, the RBA gave no fewer than 20 warnings to the previous government on the need to combat capacity constraints by investing in infrastructure, workforce skills and innovation. There were 20 occasions when the Reserve Bank’s warnings were ignored: in August 2007, Reserve Bank Governor Glenn Stevens to the House Standing Committee on Economics, Finance and Public Administration; in August 2007 in their statement on monetary policy; again in June 2007 and prior to that in May 2007 in their statement on monetary policy; twice in February 2007; also in November 2006, and so on and so on. There were 20 warnings over a period of three years. They were simply ignored.

From these warnings we see the growth of the very taproot of inflation. Inflation is real and, no matter how imaginary, fanciful or fairytale-like members opposite claim it to be, Australian working families know that prices keep going up. Families in Rockingham, Kwinana and Mandurah have seen vegetable prices going up by more than 10 per cent; bread by nearly 20 per cent; and milk, eggs and fresh fruit all by double digits over just the past few years. In the south of my electorate, in the city of Mandurah, we see much media coverage on the incredible growth and associated rise in house prices and property values. According to Real Estate Institute of Western Australia data for September of 2007, Mandurah’s median house price is $424,000. My constituents living in the new suburbs of Mandurah live the daily impact of the inflation and rate rises and expect all of us in this place to do all we can to take the pressure off inflation, which takes the pressure off interest rates.

This amendment bill brings Australia up to speed with the rest of the world’s developed economies that already have fully embraced independent monetary policy as best practice. This bill raises the statutory independence of the governor and deputy governor to the same level as the Commissioner of Taxation and the Australian Statistician. Their appointments will be made by the Governor-General in Council and can only be terminated with the approval of the parliament.

The calls for more open and transparent operations have been gathering momentum over the years. In December 2000, an editorial in the Australian Financial Review stated:

... private-sector decision making is helped by regular information ... Whether it is monthly statements, the release of minutes or more public hearings, it is a legitimate and important subject for debate.

It has taken eight years but we are finally having the debate and putting things into place to make the operations of the RBA more transparent, with better information created by the RBA and better information about RBA views, warnings and insights.

In a statement on the conduct of monetary policy released by the RBA governor on 6 December 2007, the RBA committed to measures aimed at increasing the transparency and enhancing public understanding of the conduct of monetary policy. Now a statement will be replaced on the afternoon after each board meeting explaining board decisions on monetary policy, irrespective of whether or not there is a change in the cash rate target. As in the US, the minutes of meetings will be released publicly as soon as possible after the meeting.
The governor has said that the Reserve Bank will continue to extend the scope of the economic forecasts in its quarterly statement on monetary policy. Integral to best practice monetary policy is the importance of having high standards in the selection of members of the RBA board. This bill establishes a register of eminent candidates—to quote the Treasurer—‘of the highest integrity’. This register, maintained by the Secretary of the Treasury and the Governor of the Reserve Bank, will provide a much needed safeguard in the process of selection of members of the Reserve Bank board. It is, however, incumbent on the secretary and the governor to ensure that candidates for the board have the knowledge, the analytical skills and determination to govern our nation’s monetary policy. As such, I believe that a merit based system of selection of candidates for the RBA board is good practice and adds to the already significant measures introduced by this government.

It is disappointing that the members opposite, when in government, demonstrated why this bill is so important. In a crude example of ‘jobs for donors’, Mr Robert Gerard was appointed to the RBA board on 20 March 2003 until he resigned in disgrace on 2 December 2005. What were Mr Gerard’s qualifications for his role on the board of the RBA? An article published in the Australian on 3 December 2005 states:

Robert Gerard’s political ties run deep in the Liberal Party.

Frankly, I do not think there is anything wrong with that. The article states:

He comes from Adelaide establishment stock.

I do not really see a problem with that either. It continues:

His father Geoff was a state Liberal Party president—

I certainly do not see anything wrong with that—

and through the years the electrical goods tycoon has poured up to $2 million into the party’s coffers.

On the face of it, there is no problem in making political donations in an open democracy and declaring those donations but, for some, such close ties to the party in government might be reason enough for Mr Gerard to not have a place on the board. If I have not made it clear, I do not agree with that. But it was not that that forced him out; it was tax evasion—tax evasion through a sham tax haven insurance scheme. The dodgy business dealings did not emerge subsequent to his appointment; almost unbelievably, the allegations were being aired as the former Treasurer appointed Robert Gerard to the board.

According to an article published in the Australian on 30 November 2005, Mr Gerard, the single-largest Liberal donor in South Australia, was battling the ATO in the Federal Court over the tax evasion allegations when the former Treasurer, Peter Costello, appointed him to the Reserve Bank board. So here is a bloke who was paying more in Liberal Party donations than he was in tax. What does that tell us about the previous government’s system of appointing people to boards—boards, I would like to add, that are crucial to the effective governance of our country? In this case, it is a board which makes decisions about interest rates; in this case, it is a board which makes forecasts, insights and observations about the state of our economy and the challenges and threats that we face.

Is this a case of high-quality members being selected for their skills and integrity, or was it the case that a more important selection criterion was the capacity to run a tax sham and the amount of money being donated to a political party? The appointment of Robert Gerard was an outrage and a travesty committed against one of the most important institutions in this country—the Re-
serve Bank—and against homebuyers and businesses, who have to pay the interest rates that are determined by the Reserve Bank. It was a travesty in so many different ways. Mr Gerard voted to raise interest rates—something that has an impact on hundreds of thousands of people’s lives—at the same time as he was in dispute with the ATO over his tax bill. In an article in the Age on 1 December 2005 it was revealed that the tax commissioner had:

…lodged a charge with the Australian Securities and Investments Commission in September 2003 with a maximum liability of $250 million, effectively preventing—Gerard—from selling any assets without settling his liability to the ATO.

And still he was appointed, and still he stayed there. The article continued:

The claim was not lifted until February 2004.

An out-of-court settlement of … $150 million in late 2003 ended a 14-year Tax Office investigation into Mr Gerard’s involvement in a Caribbean tax haven … its investigators labelled a “sham”.

I do not think the point can be overemphasised. Mr Gerard was a member of a board making decisions that affected the budgets of hundreds of thousands of hard-working tax-paying families in our country. Between September 2003 and February 2004, while the claim against Mr Gerard was still in place, the RBA raised interest rates twice. I note that the member for Wentworth is concerned about the sacking of incompetent and ineffective Reserve Bank governors. Well, I did not see the former government jumping to hang their hand-picked member. He was not pushed; he jumped, while the government sat claiming ignorance as their only defence.

It is fortunate that not all members of the board were appointed in such controversial circumstances. The RBA has presided over unprecedented economic growth under the stewardship of Bernie Fraser, Ian Macfarlane and the current governor, Glenn Stevens. Mr Stevens and the other ex-officio members, Deputy Governor Ric Battellino and Secretary to the Treasury Ken Henry AC, are not just well qualified but brilliantly qualified to steer Australia through the current time of global uncertainty. All of those governors—all of those members of the board—have been appointed by two or three different governments. All three of them have exemplary qualifications, including high levels of academic achievement, as well as extensive experience working with and for governments of all political persuasions. It would take me 20 minutes just to list the qualifications of the current RBA board members. This bill puts a structure in place to ensure the independence of the RBA. It ensures high-quality members of the board, and I believe it ensures that the RBA board’s decisions reflect the often complex needs of our economy.

Over the past decade, the former government often unfairly placed the RBA at the focal point of economic policy. This was because of sloppy fiscal policy—out-of-control spending and pork-barrelling. One thing has been made clear on numerous occasions: the pork-barrelling approach to government spending driven by short-term political interests does not create a stable and prosperous nation. The former government’s spending on programs was often determined and prioritised according to the margin in a particular electorate. We cannot afford to have pork-barrelling distorting decisions that should be made in the long-term national interest.

I believe that this bill not only provides greater independence and supports transparency for the Reserve Bank but also signifies the belief held by this government that the donors—sorry, that the doors—of government need to be opened—
Mr Dutton interjecting—

Mr GRAY—You were not here when I referred to donors to the former government.

Mr Keenan—It was a freudian slip!

Mr GRAY—Robert Gerard made $2 million in donations to the Liberal Party and had a tax liability of hundreds of millions of dollars that he argued about while your government had him appointed to the board. It was simply disgraceful, and you know it.

Mr Keenan interjecting—

The DEPUTY SPEAKER (Hon. Peter Slipper)—Order! The parliamentary secretary should direct his comments through the chair, and the honourable member for Stirling will remain silent—

Mr Dutton—You should go to the New South Wales ALP!

The DEPUTY SPEAKER—as will the honourable member for Dickson.

Mr GRAY—It is necessary to understand where principle and probity lie. With regard to the appointment and maintenance of Robert Gerard as a member of the Reserve Bank board, he resigned of his own volition. He resigned because, in his view, it had got too hot in the kitchen, not because, in the view of the government, his appointment was inappropriate.

This bill is about openness, it is about integrity, it is about transparency and it is about ensuring that we all have confidence in the RBA. I commend the bill to the chamber.

Mr KEENAN (Stirling) (1.12 pm)—I think the Reserve Bank Amendment (Enhanced Independence) Bill 2008 is another great example of this government doing what it does best—that is, posing and pretending to care about something and then following up with this sort of nonsense that it can then point to and say, 'Look, we’ve had a look at this issue and this how we’ve addressed it.' Unfortunately, what it does when it does that is often, when it comes to address the issue, to do so in a very inadequate and very poor way. It is clear that it does not always understand the consequences of what it is proposing, and I think this bill is an extraordinarily good example of that.

We have in this country, I think, an excellent system of an independent Reserve Bank—a system that was established by the previous coalition government. The Australian public has been very well served by its central bank throughout the whole history of that bank, which has existed since 1911, when the central bank function was within the Commonwealth Bank, and since 1960, when that function was continued within the Reserve Bank of Australia. Australia is held in very high international regard for our well-functioning institutions, our democratic principles and our upholding of the rule of law. I think we disturb all this at our great peril. The Reserve Bank is one of this country’s key economic institutions and, as other speakers have noted, plays a very strategic role in shaping the performance of our economy. It thus plays a very important role in impacting on the wellbeing of all Australians.

We have not heard much about the history of the independence of the Reserve Bank from the government today because their record on supporting the independence of the Reserve Bank is extremely poor. The Reserve Bank was officially made independent by the member for Higgins in 1996, when the new coalition government came to office and he was Treasurer. The then Treasurer jointly released a statement with the Governor of the Reserve Bank that clarified the role of the bank. It was a landmark document and was criticised heavily by the Labor Party at the time. A new and more formal framework for the conduct of monetary policy was agreed to between the government and the Reserve Bank, setting out the inflation objec-
tive and enhancing the independence of the bank to make monetary policy settings. Monetary policy would be conducted by the Reserve Bank, with the objective of maintaining the underlying inflation rate of between two and three per cent on average over the course of the cycle. This was substantially less than what the inflation rate had run at through the years of the Hawke and Keating governments.

The independence of the Reserve Bank was further enhanced by the previous government in 2002, when the then Treasurer introduced legislation that gave power to the Treasurer to appoint the Governor and the Deputy Governor of the Reserve Bank. At the time, Labor supported that legislation, which is in marked contrast to their record in this place prior to that. Indeed, I think it is fair for us to ask: where does the Labor Party really stand on the independence of the Reserve Bank?

The legislation that we are debating today reverses the policy that the Labor Party supported in 2002 and was enacted by the then Treasurer. This bill purports to strengthen the independence of the Reserve Bank and enhance the effectiveness of monetary policy. That is what the Treasurer said in this second reading speech. The reality is that you always have to look under what Labor are saying and look at their actions, because their actions very rarely match up to their rhetoric. This bill will create a greater number of uncertainties and problems within the functioning of monetary policy and the Reserve Bank.

We know, from what the Prime Minister and the Treasurer have said on the public record, that they do not really believe that the Reserve Bank is insufficiently independent. On no occasion have they publicly said that our central bank is less independent than any of the other central banks around the world. Indeed, the Prime Minister, as recently as 4 March this year, in answer to a question about what should happen with interest rates, said:

Well you accept an independent Reserve Bank or you don’t.

As I said earlier, Labor heavily criticised the coalition’s reforms in 1996 that acted to enhance the Reserve Bank’s independence. They were so outraged about that legislation at the time that the then opposition leader, Kim Beazley, threatened to sue the Treasurer over this matter. That is how much they believe in the independence of the Reserve Bank.

But they are economic conservatives now because Hawker Britton told them that that is what they would need to pretend to be to win an election, so they say, ‘We now believe in the independence of the Reserve Bank, and we’re going to enhance that independence.’ Sadly, when they came to implement this, they had no idea about what they would do. They came up with this sort of nonsense that will create great uncertainty.

We might recall, if we go back to the years of the Hawke-Keating government—and this is a great example of where Labor has stood on the independence of the Reserve Bank in the past—that the then Treasurer, Paul Keating, used to brag to the Canberra press gallery:

I have Treasury in my pocket, the Reserve Bank in my pocket, wages policy in my pocket, the financial community both here and overseas in my pocket.

Recall also that he made these comments in December of 1990, when the CPI rate in this country was 6.9 per cent and the unemployment rate was 7.7 per cent. That is when the Treasurer was bragging about how he was the one who was in control of monetary policy in Australia. Today we have just another PR exercise from a government that always
wants to strike a pose but never really wants to do anything to achieve any actual results.

On 30 October last year, the member for Lilley said:

A Rudd Labor Government will improve the transparency of future Reserve Bank Board appointments and remove political considerations from the selection of candidates. It will also improve procedures to ensure only the best qualified candidates are appointed.

Let us have a look at the track record of the Labor Party in appointing these best quality candidates; let us look at some of the people they have appointed to the board in the past, notable paragons of economic virtue and independent appointment. People such as Bob Hawke and Bill Keelty, that noted independent thinker, were appointed by the Labor Party to the Reserve Bank board. But now the member for Lilley says that Labor would ask the Reserve Bank governor and the Treasury secretary to advise on new procedures to safeguard against candidates with partisan political commitments being short-listed for consideration by the Treasurer. Of course, no-one would have considered Bob Hawke or Bill Keelty to have had partisan political commitments!

There we have Labor's election commitment on board appointments. There was not a word about any of this, of course, in this bill. Appointments to the Reserve Bank board will follow exactly the same status quo, so maybe we will see future board appointments of such leading lights as Sharan Burrow or Jeff Lawrence. There would be some good candidates in my home state of Western Australia who would make fabulously independent members of the RBA board with no partisan ties; I am sure that Kevin Reynolds or Joe Macdonald will be considered.

Mr KEENAN—Brian Burke would be a tremendous appointment—the man who has previously controlled the West Australian Labor Party and continues to pull its strings. I am sure the New South Wales Labor government would be able to come up with some of their mates to appoint to the RBA board. I digress and will now return to the substance of this bill. The bill amends the Reserve Bank Act by conferring the power of appointment of the bank's governor and deputy governor—not the members of the board—to the Governor-General instead of the Treasurer. This returns to the position that existed prior to 2002. The appointment of the governor and deputy governor of the bank would be the responsibility of the Governor-General. But appointments to the two boards within the Reserve Bank—namely, the Reserve Bank board and the Payments System Board—would still be made by the Treasurer. Further, the bill is completely and utterly silent about the composition of the Reserve Bank board—for example, the desirability of including the Secretary to the Treasury on that board. It does not say anything about that.

It is the process of termination of these appointments that raises the gravest considerations about this ill-considered bill. The process the bill proposes for the termination of appointment of the governor—and this applies equally to the deputy governor—is for the Governor-General to terminate the appointment where both houses of parliament, in the same session of parliament, present an address to the Governor-General praying for the termination of the appointment on a ground specified in subsection (8). I will get to that in just one minute. Alternatively, the Governor-General could suspend the appointment. The relevant minister, assumedly the Treasurer, must then table a statement in each house that identifies the grounds for suspension. Parliament then has
15 sitting days in which to decide whether to terminate the appointment.

Imagine the effect and the chaos that would result during that time. The motion to terminate must be passed by each house in the same session of parliament; otherwise, the suspension will end. Under proposed section 25(8), there are only three grounds for the termination of appointment: permanent incapacity, engaging in outside employment or becoming bankrupt. These are the only three grounds on which the appointment of the governor or the deputy governor can be terminated. Under the existing legislation, the Treasurer must terminate the appointment in the event of permanent incapacity, engaging in outside employment or bankruptcy. You really have to wonder what this bill is seeking to advance. The bill would make this an optional decision of the parliament. At this point, I would like to note that section 24 of the Reserve Bank Act will be amended to provide as follows:

(1) The Governor and the Deputy Governor:
   (a) are to be appointed by the Governor-General; and
   (b) shall be appointed for such period, not exceeding 7 years, as the Governor-General determines but are eligible for re-appointment; and
   (c) hold office subject to good behaviour.

Parliament appears not to have the power to remove a governor for not being of good behaviour. Subject to what follows later, that power will reside within the Governor-General. I think this prompts a number of questions that really undermine the credibility of this legislation. Could the Governor-General remove the Governor of the Reserve Bank on the ground of failing to be of good behaviour without parliament having to agree to that removal? The legislation is not clear on that. Does proposed section 24(1)(c) give any power to the Governor-General to terminate an appointment given proposed section 25(9) states that an appointment must not be terminated except on a ground identified in subsection (8)—the three grounds that I mentioned earlier? I note that the Bills Digest of the Parliamentary Library has had a look at this issue. This is what it says:

New subsection 25(9) provides that the termination of the Governor or the Deputy Governor can only be terminated on a specified ground and by the means specified by new section 25. This limits its termination to the grounds specified and in the manner specified by the section. As noted earlier, the Governor and the Deputy Governor hold office ‘subject to good behaviour’ which is an ongoing requirement and a prerequisite for holding office ... Under the changes proposed by the Bill, in the event the position holder is not of good behaviour there is no mechanism for termination as this requirement is not specified as a ground under new subsection 25(8). If a Governor or Deputy Governor did not offer a resignation to the Governor-General under amended section 24B there is no power to remove the Governor or Deputy. This can be contrasted to the present position in that although the grounds of removal from office are the same, there is no strict limitation on the Treasurer’s current power to terminate an appointment as will be the case under the proposed amendments.

This bill is obviously a rush job. It is a rush job for the government to say that they have done something to enhance the independence of the Reserve Bank when, when they said that they were going to do it, they had absolutely no idea what they would actually do to implement that promise. It is a bill that will lead to completely perverse outcomes if the parliament were not disposed to terminating the appointment of a governor who had become bankrupt or incapacitated. Imagine what would happen then if this House were divided on whether a governor or deputy governor should be terminated. Imagine the chaos that would ensue and imagine what that means for Australians who rely on the Reserve Bank to administer sound monetary
policy in Australia. This bill does not clearly provide for the termination of the governor who does not continue to be of good behaviour. So, clearly, the opposition cannot support these ill-thought-out amendments.

What we will do is move our own amendment to this bill, and I think it is a very sensible amendment. We will seek to improve the independence of the governor and we will seek to improve the RBA's accountability to the Australian people through this parliament. Accountability and independence would be achieved by requiring the governor to testify before the Standing Committee on Economics. This is an approach that is taken in similar jurisdictions, such as the United Kingdom and the United States. It is also required by the European parliament. We believe that it is sensible for the bank to appear before the parliament on a more regular basis. Through that, they are more accountable to the Australian people. Currently it happens twice a year; we believe that it is sensible for these hearings to happen four times a year. I think that is a sensible amendment and it is one that has my wholehearted support.

This bill is a clear example of how this government operates. After six months I think we are getting a pretty good view about what is important to this government. What is always important to it are style and spin—it is never the substance. You always need to look at what this government does and not at what it says. The Treasurer and the Prime Minister wanted to appear to be economic conservatives. They do not understand what that term actually means. Their public relations company told them it was one they should use.

So they have tried to come out and pretend they are economic conservatives and now they have had a ‘road to Damascus’ style conversion to believe in the independence of the Reserve Bank, which is something the Labor Party has always opposed and never believed in. They said that they would enhance the independence of the Reserve Bank; they have no idea how to go about doing that so they came up with this ridiculous bill that will cause confusion and has the serious potential to adversely impact on the creation of monetary policy in Australia. It is a bill that cannot be supported by the opposition and I urge all members to take a good look at it and join us in opposing these ill thought out measures.

Mr TURNOUR (Leichhardt) (1.31 pm)—I rise to support the Reserve Bank Amendment (Enhanced Independence) Bill 2008, which continues a Labor tradition of economic reform that has modernised and strengthened the Australian economy. The Reserve Bank of Australia plays a crucial role in managing the economy through monetary policy. The Reserve Bank board’s obligations with respect to the formulation and implementation of monetary policy are laid out in the Reserve Bank Act.

In this bill we are making some changes to the operations of the Reserve Bank. But broadly speaking it is about managing the economy in the best interests of the Australian community and Australian working families. Over time, policymakers have come to conclude that the best way to achieve the bank’s charter is to target inflation within a given band. This objective was first outlined publicly in 1993 by the then governor, Mr Bernie Fraser, as being a rate of inflation that was held to an average of two to three per cent over a period of years.

This policy, which stands to this day, was developed by the RBA during the Hawke and Keating governments’ years of major economic reform. The reforms included the floating of the Australian dollar, deregulation of the financial system, decentralisation of
the industrial relations system, major reductions in tariffs, privatisation of the Commonwealth Bank and other government enterprises, and national competition policy. Many of these reforms caused great divisions and arguments in the community and within political parties. They are, however, the major reasons we have experienced 17 years of sustained economic growth in this country.

It is a fact that the Howard government inherited an economy growing strongly in 1996; an economy built on 13 years of sustained economic reform under the stewardship of first the Hawke government and then the Keating government. Inflation was under control and productivity was on the rise.

The Rudd government continues that proud tradition of economic reform by delivering a responsible budget this week, and we see it also in this legislation, which delivers on an election commitment to increase the independence of the Reserve Bank of Australia and increase the transparency of monetary policy in Australia. The Treasurer worked with the RBA, following the election win by the Rudd government, to finalise a policy and, with the RBA governor, release a new statement on the conduct of monetary policy on 6 December 2007. This legislation enables that statement to be implemented.

It will strengthen the independence of the RBA and establish its governance as world’s best practice. It will raise the position of the governor and the deputy governor to the same level of statutory independence as the Commissioner of Taxation and the Australian Statistician.

The Rudd government is committed to an independent Reserve Bank. As part of this new policy the government is also moving to improve the transparency of future Reserve Bank board appointments and to remove political considerations in these appointments. Accordingly, the Secretary to the Treasury and the Governor of the Reserve Bank will maintain a register of eminent candidates from which the Treasurer will make appointments to the Reserve Bank board.

The statement on the conduct of monetary policy also incorporates transparency measures including the publication of board minutes and a statement of reasons for their decisions following each monthly meeting, irrespective of whether there is an adjustment in the cash rate. Increased transparency helps businesspeople and working families understand the reasons behind monetary policy decisions, which have such a real impact on their lives.

So these measures not only increase the independence of the Reserve Bank but also, through our changes to monetary policy, enable a more transparent and open board. Their deliberations will now be made public so that working families and business can understand better the decisions that they make.

These reforms, which the governor and the government agreed to last year, herald in a new era of independence and transparency in monetary policy in Australia. They will mean the RBA’s governance conforms to world’s best practice. Sadly the opposition’s failure to support this legislation demonstrates that they have lost any appetite they may have had for economic reform. They clearly do not want an independent Reserve Bank and do not understand the importance of its role in keeping inflation within the target band of two to three per cent over the economic cycle. This is demonstrated by the Howard government’s failure to act following more than 20 warnings by the RBA on interest rates.

Unlike the Howard government, which in 1996 inherited a growing economy with inflation under control and productivity on the increase, the Rudd government was left with
difficult economic circumstances in which to craft its first budget. Inflation is now at a 16-year high and productivity, which has been in decline for a number of years, is now approaching one per cent after rising to three per cent following the reforms of the Hawke-Keating years. We are facing difficult international conditions, with the subprime mortgage crisis in the United States pushing that economy towards recession. Our terms of trade, built on the back of growing economies in India and China, continue at record levels but these too are putting upward pressure on inflation and interest rates.

It was therefore particularly irresponsible of the Howard government to embark on the spending spree that it did in its last term. I note the previous speaker and other members of the opposition have talked about looking at ‘what we do, not what we say’. Well, the Howard government talked a lot about responsible economic management, but you only have to look at their last term of government and see what they did to understand there was nothing responsible about the reckless spending spree that they went on. And it was a reckless spending spree.

The Howard government embarked on a huge wave of unsustainable spending following the 2004 election. Who can forget then Prime Minister Howard’s $6 billion spending spree in just 10 minutes at the 2004 Liberal Party election campaign launch? Six billion dollars in 10 minutes is very irresponsible. Sadly, families and businesses have had to experience eight interest rate rises in a row since Mr Howard cruelly claimed, during the election campaign, that he would keep interest rates at record lows. No wonder working families were angry at the last election and sent the former government a message.

Economists know that governments, through fiscal policy, can aid the work of the Reserve Bank by reining in government spending to reduce demand and take action to ease capacity constraints on the supply side of the economy. Economic commentators understand that, when the government is going out there and spending recklessly while the Reserve Bank continues to put up interest rates, you are getting the government crowding out the private sector and putting upward pressure on inflation and interest rates, which hurts working families and businesspeople.

The Howard government failed to act on warning after warning by the Reserve Bank to rein in spending or to invest in the supply-side constraints in skills and infrastructure. In stark contrast, look at what the Rudd government is doing. We are committed to tackling the 16-year high in inflation left to the nation by the Howard government and end this succession of interest rate rises that the economy is currently experiencing.

From day one, we moved to tackle the inflation legacy left to us. Following the new statement on monetary policy, in January the Prime Minister announced a five-point plan to tackle inflation. The first point of the five-point plan is fiscal restraint, requiring spending cuts in the budget. The second is private demand and saving for the future, so we need to also encourage the private sector to save, and we announced and are delivering first home saver accounts as one of those measures. We recognise—and you only have to get out and talk to business to know—that there is a skills crisis in this country, so the
third point in our five-point plan is to tackle the chronic skills shortages; and we are delivering on the education revolution that we announced during the election campaign. We know that we need national leadership in tackling infrastructure bottlenecks, which are also providing supply-side constraints on the Australian economy and putting upward pressure on inflation and interest rates.

Finally, as part of our five-point plan, we recognised that we needed to lift workforce participation, and that is what the tax cuts and the childcare rebate are about. They are about giving low-income earners in particular a tax cut to encourage them back into the workforce and changing the taxation system at the bottom end in particular to encourage people back into the workforce. Increasing the childcare rebate from 30 to 50 per cent and paying it quarterly puts some money into working families and ensures that working mothers can participate effectively in the workforce. The government is delivering against this five-point plan; you only have to look at the budget we announced this week.

The budget delivered a $21.7 billion surplus, including $7 billion in savings this coming financial year and $33 billion over the four-year forward estimates. That stands in stark contrast to the budget following the 2004 election, when spending by the former government was way out of control and fiscal policy was not reined in even though interest rates were on the rise and the former Prime Minister claimed he would keep them at record lows. The Howard government’s reckless spending fed into consumption, putting upward pressure on inflation and interest rates. As I have said, there have been eight interest rate rises since the former Prime Minister, Mr Howard, promised to keep interest rates at record lows. The former government left all the heavy lifting to the Reserve Bank. It is critical that we maintain an independent Reserve Bank, and this legislation is all about supporting and strengthening that.

The member for Higgins and former Treasurer’s legacy to the Australian business community and working families struggling with mortgage repayments has been inflation at 16-year highs and rising interest rates. Sadly, the current opposition leader and the shadow Treasurer, the member for Wentworth, continue to deny that inflation is a problem, and this is a really sad point. Over the past few months they have made com-
ment after comment denying that there is an inflation problem facing Australia. The opposition Treasurer and member for Wentworth has even suggested that inflation is a fairytale while he and the opposition leader have argued against spending cuts in the budget. So we see a continuation of the failed approach of the Howard government to rein in spending while we are seeing inflation on the increase and interest rates continuing to rise. How can the opposition leader or the shadow Treasurer claim to be credible on economic management while they continue to deny there is an inflation problem in Australia?

The facts are that inflation has risen to 4.2 per cent over the past year, well outside the Reserve Bank target of two to three per cent, yet the shadow Treasurer has continued to argue that inflation is not a problem in Australia. He continues to deny that the Howard government legacy to working families is 16-year-high inflation and rising interest rates. Sadly, the Howard government squandered years of strong economic growth, a result of a once-in-a-generation resources boom and the reforms of the Hawke-Keating years. They failed to invest in nation-building infrastructure and skills that would have eased capacity constraints within the Australia economy and eased inflationary pressures. Instead they were fiscally irresponsible, wasting billions on government advertising, consultants and pork-barrelling. Sadly, it is working families and small business that have been left to pay through rising inflation and interest rates. The Rudd government is determined to tackle inflation and invest in infrastructure and skills that drive productivity and put downward pressure on inflation.

I have already outlined some of the savings measures in the budget to reduce demand, but we are also working on the supply side to ease capacity constraints in the economy. Investments in trades training centres and new training places deliver on our election commitments, while the new $11 billion Education Investment Fund will ensure we have the resources to continue to invest in vocational education and universities into the future.

Similarly, the $20 billion Building Australia Fund sets aside moneys to tackle the infrastructure bottlenecks that have built up across the nation following years of neglect by the former government. Infrastructure Australia, established under the Rudd government, will ensure that this investment is particularly planned and coordinated. The exciting thing about this budget is that it not only tackles inflation that is currently gripping the economy but also sets itself for the long term by putting in place an education fund, an infrastructure fund and a health fund to ensure that we can make the serious investments that we need into the future to tackle these supply side constraints and make sure that the economy continues to prosper into the future and delivers for the community, for business and for working families.

The government’s budget has been framed in difficult economic times and is firmly focused on steering the nation through this period of high inflation and low productivity left to us by the Howard government. We recognise and understand that tackling inflation is the key to lowering interest rates. We agree with the Reserve Bank governor when it comes to the seriousness of the threat of inflation to the Australian economy. Listen to what the Reserve Bank governor had to say at the economics committee hearing on the 4 April when asked by the chair—and I see him in the House today—about ignoring inflation. The chair asked:

What would be the impact on the economy if we just ignored inflation? Would this lead to higher or lower interest rates in your view?
The governor replied:

That is a good question. I think it is quite clear from any study of history, either ours or any other country, that if you do not control inflation then ultimately you end up with higher interest rates.

So while we see the opposition talking about there being no inflation problem in this country, I do not know whether they are reading the Reserve Bank statements, but if they are hearing the Reserve Bank governor there is clearly an inflation problem. The Reserve Bank governor clearly stated in our last hearing that if we do not tackle inflation we are going to see a continuation of rising interest rates. If we do not tackle it over the longer term, we will end up with interest rates stuck at high levels. That is what the RBA governor said very clearly at our last hearing. If we do not control inflation, we ultimately end up with higher interest rates. It cannot be put any simpler than by the Reserve Bank, yet the opposition continues to deny that inflation is a problem in the Australian economy. They cling to the myth that John Winston Howard was some kind of economic conservative. You only have to look at what he did and what the current opposition is doing. History shows him to be no economic reformer or fiscal conservative but a Prime Minister focused solely on short-term political expediency.

The Rudd government is again embarking on a period of economic reform to tackle the inflation problem gripping Australia, and making the nation-building investments that will drive productivity and secure our long-term economic prosperity. We are determined to do what is right in the longer term interest of the nation. We are doing our bit by tightening fiscal policy and taking pressure off the Reserve Bank. That is why in these difficult economic times we have delivered a budget that gets the balance right on the demand side by reining in government spending while investing in supply side capacity constraints in infrastructure and skills.

Maintaining the independence of the Reserve Bank, that manages monetary policy, is also a critical part of this effort. When you have an opposition that does not understand and agree with the Reserve Bank, we can see why we need to strengthen its independence, why we need to ensure that the RBA can do the important work that they do in monetary policy. The stance of the current opposition, who are taking a completely different position from the Reserve Bank governor on interest rates, highlights again the need for strengthening this independence, and I cannot make that point any more strongly.

The Rudd Government recognises this and that is why we are committed to tackling inflation in the Australian economy in the short term and putting downward pressure on interest rates and the cost of living. We will also not shirk our responsibilities to longer term reform of the Australia economy and this bill is another example of our commitment to that reform. I strongly urge the House to support the bill.

The DEPUTY SPEAKER (Ms AE Burke)—I take this opportunity to welcome the delegates from the Centre for Democratic Institutions who are in the gallery today and wish them well with their Political Party Development Course. I call the member for Aston.

Mr PEARCE (Aston) (1.51 pm)—I rise today to comment on the Reserve Bank Amendment (Enhanced Independence) Bill 2008, but before I begin my remarks on the bill I have to say something about the speech we have just listened to from the member for Leichhardt. He talked about the Labor Party now being economic conservatives—they have joined us as economic conservatives—and he talked about how the Labor Party wanted to enhance the independence of the
Reserve Bank. He was not here when the coalition attempted to enhance the independence of the Reserve Bank and the then leader of the Labor Party, Kim Beazley, threatened to sue us, to take legal action, because of what we wanted to do. The member for Leichhardt also talked about the hearing of the House of Representatives Standing Committee on Economics in Sydney on 4 April, giving many quotes from the Reserve Bank governor, and he said in his speech that the previous government had ignored warning after warning from the governor. But what he failed to tell the parliament today is that at that committee hearing on 4 April I asked the Reserve Bank governor directly whether he had issued any warnings to the previous government. The governor said that he had not issued any warnings to the previous government, yet we have the member for Leichhardt saying that there was warning after warning. Other questions I asked of the Reserve Bank governor were: ‘Do you think inflation is out of control? Do you think the inflation genie is out of the bottle?’ Of course, that is what we have been hearing from the good old-fashioned rooster, Mr Swan, who is now the Treasurer. And what the Reserve Bank governor said at that hearing on 4 April was that inflation was not out of control. So it is always interesting how new members in particular like to just quote aspects that suit their pitch of the day.

This bill adds nothing positive to the functioning or the performance of the Reserve Bank or its officers. The bill purports to provide the same dismissal mechanisms as for the Commissioner of Taxation and the Australian Statistician. But in making this attempt, the bill fails to achieve its desired goal, that being to implement a clear and consistent procedure for the removal of the governor or the deputy governor. It also fails to provide the people of Australia with the certainty they currently enjoy under section 25 of the Reserve Bank Act. This is an important section because it provides for clear mandated action by the Treasurer for the removal of the governor or the deputy governor in three particular events. They are: if either officer becomes permanently incapable of performing their duties or if they engage in paid employment outside the office of the Reserve Bank or if they become bankrupt. The circumstances are clearly spelt out and the action to be taken is mandated. There is no need for debate in this place or the other place and no need to form consensus on the course of action to pursue because there is no choice by the incumbent Treasurer on how to act—it is mandated. This provides both the Reserve Bank officer and the Australian people with confidence and clarity in the dismissal mechanism.

As a former parliamentary secretary to the Treasurer, I know that Australia’s Reserve Bank is one of the finest institutions of its kind in existence. One of the reasons for the bank’s high esteem within Australia and globally is the transparent, objectively verifiable conditions under which it functions in our marketplace. This bill seeks to do damage to that transparent process, in my view, by adding the requirement for a parliamentary debate and, indeed, a vote to achieve what is currently required by law.

Under this proposal there must be a meeting of both houses of parliament, both must agree the governor or deputy governor should be dismissed, based on one of the three conditions I outlined earlier, and then request that the Governor-General dismiss the governor or the deputy governor. What would previously have been an automatic and somewhat efficient action mandated by the current legislation would be turned into a time-consuming and faintly ridiculous bureaucratic nightmare. In the unfortunate circumstances that a governor or deputy governor fell into any one of the three categories,
we would have to proceed with this meandering journey through both houses of parliament to achieve what is currently a brisk and very effective method.

The unfortunate, and possibly unintended, consequence of this bill would be that the three circumstances I have outlined would be the only circumstances under which the governor or the deputy governor could be removed from office. Let us consider that matter for a second. Currently, the governor and the deputy governor hold office 'subject of good behaviour'. But according to the Bills Digest, that requirement—that the governor or the deputy governor continue their respective 'good behaviour'—is lost as a means of dismissal, if either the governor or the deputy governor breaches that requirement of so-called 'good behaviour'. So if either party were to behave in a mendacious manner, that would no longer be grounds for a sacking—regardless of what this parliament believed was in the best interests of this nation. I think this is the thin end of the wedge. If it can be possible for a governor or a deputy governor of the Reserve Bank to be lying or deceptive or otherwise injurious in conduct and yet still remain in the role, the loss of confidence in the market could be absolutely devastating. The parliament would be divested of the opportunity to consider proved misbehaviour or mental incapacity as grounds for termination from the role.

This is a shoddy bill that the Treasurer has rushed into the chamber. It beggars belief. You have to ask yourself: what could be the motivation for such a bill? Of course, the motivation is, pure and simple, political 'spin'. This bill reverses the law that was supported by Labor. The bill is nothing more than a crass example of political expediency so that the Treasurer and the Prime Minister can mistakenly claim to be economic conservatives.

The shadow Treasurer has foreshadowed an amendment which I support. It is all about increasing the number of occasions that the Reserve Bank governor appears before the Standing Committee on Economics, from twice a year to four times a year. This is an excellent amendment. These appearances could take place after the publication of each of the quarterly statements. This is in the interests of the Australian people and of the Australian market. Mr Speaker, I am heartened, as no doubt you are, that with Labor now being the self-professed home of economic conservatives we will see eye to eye in this place on matters of economic conservatism such as this. That being the case, I am confident that the remarks of the opposition today, together with this amendment, will be supported by the Australian Labor Party, as they should be. The amendment that is proposed will provide for greater transparency and greater accountability and bring the Reserve Bank governor before the parliament of Australia not on two occasions a year but on four occasions. That can only be a positive thing for the Australian people and the Australian markets. The Australian Labor Party should not oppose the Reserve Bank governor talking with the parliament of Australia on an increased number of occasions. I support the amendment, but I do not support the bill as proposed by the government.

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

MINISTERIAL STATEMENTS
Australian High Commission in Fiji
Mr STEPHEN SMITH (Perth—Minister for Foreign Affairs) (2.00 pm)—On indulgence, Mr Speaker, I regret to advise that our High Commission in Fiji has today received
a second death threat against the High Commissioner and his staff. Members of the House will be aware that a previous anonymous and grave threat was delivered to the High Commission in Suva on 7 May. The Australian government believes these threats to be credible and is extremely concerned by them. Both threats were immediately brought to the attention of the Fiji police and we are grateful for their investigative efforts to date.

Following the first threat, the government has taken urgent steps to fully revise security arrangements for Australian High Commission staff in Fiji and to improve the safety of the staff of the High Commission and the security of the High Commission premises. Restrictions have now been placed on access to the High Commission. In response to the first threat, the High Commissioner met ministers of the interim Fiji government and requested agreement for Australian Federal Police officers to join the High Commission staff to provide additional close personal protection and security. He also requested additional security services be provided by the Fiji police to High Commission staff.

I have today sent a formal note to the Fiji interim foreign minister reiterating the deep concern of the Australian government about these threats and seeking urgent and full cooperation in responding to our formal requests for additional personal protection and security. Australia’s travel advice for Fiji has, this afternoon, been updated to take account of these threats as well as recent increasing levels of crime in Fiji. I have taken the opportunity, prior to question time, to brief the Leader of the Opposition and the shadow minister for foreign affairs about these matters.

The safety, security and welfare of all High Commission staff and their families is paramount in Australia’s response to these threats. If, for some reason, these threats are an effort to intimidate the Australian government about its policy on Fiji—or an attempt to intimidate our High Commissioner—let me make it very clear that they will not have any such effect. I thank the House.

QUESTIONS WITHOUT NOTICE

Dr NELSON (2.02 pm)—My question is to the Prime Minister. Why has the Prime Minister’s high-taxing budget failed to take any decisive action to deal with grocery, petrol and mortgage stress on Australian households?

Mr RUDD—I thank the Leader of the Opposition for his question. This budget is anchored in economic responsibility. This government believes that the first responsibility of government is to ensure macroeconomic stability. In our current economic environment, that means producing a fiscal policy which delivers effective downward pressure on inflation, which in turn flows onto downward pressure on interest rates. The reason we have had to do that is that we have had 12 successive interest rate rises in a row, and we have had this on the back of not just a lax fiscal policy on the part of those opposite but a failure to act on the other fires which fuel inflation; that is, the supply-side constraints in the economy—namely, a skills shortage and infrastructure bottlenecks. These have been the subject of 20 consecutive warnings by the Reserve Bank of Australia to the previous government which resulted in no action.

So what we have done, given the circumstances we have inherited, is to produce a responsible budget with a surplus of $21.7 billion—the biggest surplus in nearly a decade; the second largest surplus as a percentage of GDP in 35 years—to assist in the overall policy settings which are brought to
bear on interest rates policy. That is the responsible course of action.

The second thing that we have done through this budget is to ensure that, for working families who are under financial pressure—and they are, whether it is through rents, increased mortgage prices or the impact of groceries or fuel—we deliver a series of tax undertakings, a series of measures on childcare tax rebates, a new education tax refund and further measures on housing affordability. When you put them together, these add to a significant additional benefit for many working families across the country. It is the aggregation of these price pressures on working families on which the government has been keen to act.

This has been an absolutely essential focus of what the government has sought to do, but there is a third focus in the government’s overall strategy, and it is this: we also see, through this budget, an important opportunity for nation building which also dovetails with the important fight against inflation and further upward pressure on interest rates. That means dealing effectively with the long-term challenges we face with the skills shortage and infrastructure bottlenecks. The previous government had 12 years in office to act on these constraints and did nothing. They were warned on 20 separate occasions by the Reserve Bank of Australia to act; otherwise, there would be consequences for the overall inflation equation. They failed to act. This government, by contrast, within its first five months in office has decided to act. We have done so by establishing three investment funds for the future—on infrastructure, on skills and also in the critical area of building a better hospital system.

This government is proud of the budget, which is framed in terms of economic responsibility; of assisting working families under pressure who are dealing with cost rises from groceries, fuel and elsewhere; and, importantly, of investing in the future. This stands in stark contrast to the budgets we have inherited from the previous 12 years.

Budget

Mr CHEESEMAN (2.06 pm)—My question is to the Prime Minister. Will the Prime Minister inform the House of the importance of this week’s budget to the future of the nation and to the future of working families?

Mr RUDD—The important thing about this budget is that we have not only produced a document of responsible economic management but, unapologetically, decided to tip the scales in the direction of working families. This is absolutely critical for those people who are suffering cost of living pressures right across Australia—working families, working Australians, retired Australians—those who are doing it tough at present. The first challenge however is to produce a responsible budget, not one galloping ahead with out-of-control expenditure growth but one which actually puts itself within respectable fiscal parameters.

This $21.7 billion surplus is a significant investment in the future but it is being delivered on the basis of hard work—as the finance minister indicated yesterday—$7.3 billion in savings involving $5.3 billion of spending cuts. Where were the spending cuts and savings measures in previous budgets brought forward by those opposite? I do not recall. We see those measures detailed in page after page of the budget papers brought down by the Treasurer the other night and an overall expenditure growth. The fact that we can deliver an outcome for the budget which produces an increase in real expenditure by barely one per cent, against the 4.5 per cent real expenditure increases delivered by the smiling member for Higgins in recent budgets, frankly, I think, stands in stark contrast to the fiscal record that we inherited.
On the expenditure side, it is worth emphasising this point: we have produced an outcome on expenditure in this budget whereby expenditure as a percentage of gross domestic product now ranks as the lowest that has been produced by any government since 1989-90. That is a significant measure. On the other measure which is relevant to the overall size, effectiveness and efficiency of government—that is, tax as a proportion of GDP—we have reduced tax as a proportion of GDP from 24.7 per cent, which was in the budget we inherited, down to 23.8 per cent. That is a significant advance. The investment funds for the future indicate the way in which we want to build the nation into the 21st century. The money involved in those investment funds is not our money, it is not the Liberal Party’s money and it was not Peter Costello’s money; it is the Australian people’s money.

The Australian people want that money invested long term in fixing urban congestion; in dealing with the infrastructure crisis and bottlenecks which are confronting many of our citizens today; in improving the state of our public hospitals; in our universities so the kids studying there do not have to crowd into lecture or tutorial halls; and in the TAFE schools and colleges of this country to ensure they are of a 21st century standard and not that of a different age or era. Most importantly in the measures contained in this budget, we have been about the business of tipping the balance in the direction of working families—$47 billion of tax relief over the next four years is directed to low- and middle-income earners. We have also of course increased the childcare tax rebate from 30 to 50 per cent.

Mr Tuckey—Mr Speaker, I rise on a point of order. Why are prepared ministerial statements being used in question time? It is not fair.

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

Mr Rudd—Families across the country are dealing with real challenges, so we make no apology—while those opposite giggle and guffaw about the financial pressures faced by families today—for delivering $47 billion of tax cuts to those families, no apology for ensuring that we deliver an education tax refund of $4.4 billion, no apology for ensuring that we increase the childcare tax rebate by $1.6 billion from 30 per cent to 50 per cent and on top of that deliver a housing affordability package of $2.2 billion. These are practical measures which deliver to the bottom line of working families and we are proud of what we have done in unapologetically tipping the balance in their direction.

The contrast between what we have done and what those opposite have done stands in absolute stark contrast. Those opposite have advanced three propositions in the course of this budget debate: (1) that the inflation challenge facing Australia is a charade and a fairytale, (2) they have argued that there is no economic case for cuts in government spending and (3) they refuse to support effective measures concerning welfare reform. We find ourselves in a situation today where the Labor government of Australia is now being attacked from the left by the big-spending Liberal government of the past on these critical measures of economic competence and performance. Furthermore, when it comes to issues of social policy, we now find ourselves being attacked from the libertarian left of the Liberal Party who say that we should not intervene when it comes to binge drinking and the proper treatment of RTDs. I find it remarkable that we have a Liberal Party today which has lost its way, lost its direction and bears no resemblance to the great party of Menzies of the past.
DISTINGUISHED VISITORS

The SPEAKER (2.12 pm)—I inform the House that we have present in the Gallery this afternoon Representative Park, former chairperson of the ruling Grand National Party of the Republic of Korea. On behalf of the House I extend to her a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Budget

Dr NELSON (2.13 pm)—My question is to the Prime Minister and further to his last answer and refusal to apologise. I refer him to the forecast loss of more than 134,000 jobs within the next year due to Labor’s high-taxing budget. On ABC this morning the Prime Minister referred to this as ‘a modest increase in unemployment’. How can the Prime Minister boast that this is a budget for families when 134,000 families will move from work to welfare in the next year? These are people; they are not on a balance sheet.

Mr RUDD—One of the roll-on consequences of 12 interest rate rises in a row is that they affect, over time, the economic performance of the economy. What we have seen as a consequence of the tightening of monetary policy off the back of lax fiscal policy from those opposite, going back year after year now, are the actions that have been taken by the Reserve Bank of Australia. That government—those opposite—had 12 years to act on the key capacity side constraints of the economy. They failed to do so. They created the environment whereby inflation, when we took over office, was running at a 16-year high. As a consequence of that, monetary policy settings have been adjusted by the Reserve Bank, and the consequence of that is that we have had an impact on real activity in the economy.

Can I say to those opposite that after 12 years of absolute neglect we now have them seeking to say that they have no responsibility whatsoever for the economic circumstances which this nation confronts in the year 2008, including the prospective impact on activity and employment. By contrast, what we have put forward is a responsible economic document based on a robust surplus, helping working families under pressure on the way through and, most importantly, investing in the future.

But we would all, in this place, be advantaged by one thing—and that is knowing where exactly the Liberal Party now stand. Are they in favour of further tax cuts? Are they in favour of a greater emphasis on government spending? Are they in favour of doing something about inflation? Do they support welfare reform? Do they support means testing? Or do we have to wait for the member for Wentworth to replace the current Leader of the Opposition to find out what the real policies are? Do we have to wait for the member for Higgins to replace the member for Wentworth, to replace the Leader of the Opposition, to know what the real policy settings are? It remains a mystery to the nation.

Budget

Mr CRAIG THOMSON (2.15 pm)—Mr Speaker, my question is to the Treasurer. Will the Treasurer outline for the House the response from economists to the Rudd government’s first budget?

Mr SWAN—I certainly welcome the question, because the Rudd government’s first budget is a responsible budget—a responsible budget that builds a strong surplus. And there has been some favourable commentary from sensible analysts. So for the benefit of the House I thought I might run through some of that commentary. From Michael Blythe at the Commonwealth Bank:
The Budget ticks all the boxes in terms of the government’s medium-term fiscal strategy.

He went on:

The budget produces a larger surplus than the 1% of GDP projections with which the Coalition was comfortable. The emphasis has shifted from spending to savings. So, the ALP can now claim the mantle of fiscal conservatism.

And Mr Williamson from TD Securities said:

It looks to be a mildly restrictive budget, living up to the credo that they had of being an inflation-fighting budget ...

Rory Robinson from Macquarie Bank said:

It is a major restraint relative to the Whitlamesque five per cent growth estimated for this year—the Howard government’s final budget year.

He pinged them for very big spending! Of course, we have the shadow Treasurer’s former employer, Goldman Sachs; this is what they had to say:

After two years of notable conflict we finally have fiscal policy that is pushing in the same direction as monetary policy.

So I think it is pretty clear that the market thinks Tuesday night’s budget was a responsible budget. But what does the opposition have to say about this? The member for Wentworth fancies himself as an economic guru, so what does he have to say? This is what he had to say:

Mr Tuckey—I rise on a point of order as to relevance. The Treasurer was not asked to comment on the policy of the opposition.

The SPEAKER—The honourable member will resume his seat.

Mr Swan—On budget night the shadow Treasurer was asked this question by David Speers:

If you had been standing at the dispatch box tonight, would you have gone further with deeper spending cuts?

Do you know what the shadow Treasurer said? He said:

Look, I cannot comment on that.

The once great hope of the Liberal Party—but he could not comment on that, on budget night. The great white hope of the Liberal Party had nothing to say—no alternative framework, no suggestions for savings, no suggestions for fiscal policy whatsoever.

He was also asked on 14 May this question by Mr Neil Mitchell:

Is this your last budget as shadow Treasurer?

Mr Turnbull:

Well, we’ll see.

Yes, we will see! We will see whether the Liberal Party has an alternative economic framework tonight, because what is apparent from what they have had to say is that they are the party of high spending, high taxation and high inflation.

Mr Turnbull—I rise on a point of order. I ask the Treasurer to table the full Goldman Sachs JBWere report so that we can read what Goldman Sachs really says, which is very—

The SPEAKER—The honourable member will resume his seat. The only thing that the chair can do is ask whether the Treasurer was quoting from a document. Was the document confidential?

Mr Albanese—I rise on a point of order. Is it in order for the shadow Treasurer to knock over the Leader of the Opposition on the floor of the House?

The SPEAKER—Order! I note that that will be in the stats for points of order, and I remind the Leader of the House that it was stretching the use of points of order, as he was reminding the House. He should be very careful in future. The member for Wentworth.

Mr Turnbull—Mr Speaker, I seek leave to table the very unconfidential public report of JB Were on the budget.
Leave not granted.

*Opposition members interjecting—*

**The SPEAKER**—Now members on my left are denying themselves questioning time. The Leader of the Opposition.

**Budget**

**Dr NELSON** (2.23 pm)—My question is to the Prime Minister. Has the Prime Minister read the report in today’s *Advertiser* of Wayne and Rebecca Tanner, who have two children and earn just over $150,000 a year from working more than 80 hours a week, with a mortgage, school fees and cost of living pressures? Does the Prime Minister really believe that the Tanners are rich? What does the Prime Minister say to Mr Wayne Tanner, who believes that this high-taxing budget takes away an important Australian ethic, and that is the incentive to work?

**Mr RUDD**—I thank the honourable member for his question. I have not seen the article in question but I accept the honourable member’s rendition of it. The first thing to be said about the tax cuts introduced by the Australian government is that they flow to all families: $46.7 billion worth of tax cuts. Then if you go to the range of benefits that flow to people who, for example, may be eligible for family tax benefit A, you have got another 1.7 million Australian families. They of course benefit from family tax benefit A. They also benefit from the education tax refund. They also benefit from new entitlements which flow in the case of dental services to children—teenagers obtaining new dental services. But you see, Mr Speaker, overall what we believe is that in helping working families we must make sure that the economy is in first-rate working order. That means fighting the fight against inflation and making sure that you are not contributing to the tax fiscal policy which we inherited from our predecessors, and, secondly, bringing in tax cuts which flow to all Australian families. That is an important measure, including for all those families who may not be the beneficiaries of the particular measures which are contained in the income support measures brought in by the government.

This is a very difficult question in terms of $150,000 and obviously it is a very difficult question for those opposite. The member for Wentworth says it is a fair benchmark for means testing but the Leader of the Opposition says it is not. I would like to know where the Liberal Party stands on this.

**Dr Nelson**—I have a point of order, Mr Speaker. It may assist the Prime Minister if I seek leave to table the front page of the *Adelaide Advertiser*.

Leave not granted.

**Mr Lindsay**—Mr Speaker, I raise a point of order. In view of that request, is this a union meeting or the Parliament of Australia?

**The SPEAKER**—The honourable member will not resume his seat. He may as well go to the door; he is out for one hour. Reflections by way of interjection are something that is well and truly disorderly.

**The member for Herbert then left the chamber.**

**Building Australia Fund**

**Mr TREVOR** (2.27 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. Would the minister advise the House on the feedback he has received on the government’s Building Australia Fund?

**Mr ALBANESE**—I thank the member for Flynn for his question. The Rudd Labor government has stamped our credentials this week with Tuesday night’s budget as Australia’s nation-building party. We have established this fund to provide critical economic infrastructure in road, in rail, in ports and in broadband. Australian businesses have been
crying out for years for national coordination on infrastructure to free up bottlenecks and assist in passenger and freight movements. After last year’s budget the Business Council of Australia said this:

The key issue still appears to be the lack of long-term integrated planning to drive investment to address ongoing bottlenecks.

After 12 years they received nothing from those opposite—no action. But I am pleased to advise the House that those days are over. Indeed, the feedback from the community, and in particular from the business sector, has been extraordinarily positive. People who care about Australia’s future are relieved to finally have a government prepared to take action on infrastructure and therefore place downward pressure on inflation and downward pressure on interest rates.

The Business Council of Australia last year made the comment I mentioned. This year they said that the establishment of the Building Australia Fund is ‘an effective way of ensuring that today’s strong revenue growth can be better directed to meet the nation’s long-term infrastructure needs’.

Mark Birrell of Infrastructure Partnerships Australia, a former minister in the Kennett government, said that the creation of the $20 billion Building Australia Fund is ‘a landmark investment in national infrastructure and an unprecedented down-payment on the priority projects that can sustain economic and job growth’.

Peter Verwer from the Property Council of Australia said:

The government’s $20 billion investment in critical infrastructure confirms its commitment to nation-building.

Michael Pearson from the Minerals Council said:

The budget signals a critical shift to a focus on building new supply capacity in the Australian economy. The importance of this shift cannot be underestimated.

Chris Brown from TTF said:

This is a major step forward, signalling a brave new world of federal government engagement in our major cities.

Tony Shepherd of Transfield said:

The $20 billion injection into the Building Australia Fund is a great development for the country. Finally, at the federal level we have recognition of the government’s obligations in terms of the investment and development of infrastructure. I have from those opposite talk of criticism, that this is a slush fund. What else would they say? There is criticism from these people, including from the National Party. This is what the National Farmers Federation had to say—this is what David Crombie had to say:

Tonight’s announcement of the $20 billion Building Australia Fund is a positive move towards addressing critical transport and communications infrastructure.

There were many other business leaders, including Paul Bell from the Australian Local Government Association and Stephen Holmes from the Urban Development Institute of Australia. Ivan Backman from the Australian Logistics Council said:

$20 billion for infrastructure announced in tonight’s budget is a substantial commitment to building the road and rail networks and ports required for our national future and will be embraced by our transport and logistics industry.

Indeed, the only people in the nation who have not embraced the Building Australia Fund are those opposite. Those people who did nothing for 12 years to address critical infrastructure are now criticising a government that has had the courage and the foresight to plan for our future. They are so out of touch with their own base that they have walked away from them and are completely isolated from the business community, from
farming organisations and from regional Australia, who have all endorsed very strongly the Building Australia Fund as a critical centrepiece, along with the education and health infrastructure funds—Labor’s forward-thinking budget which will secure our future prosperity.

**Budget**

Mr HOCKEY (2.32 pm)—Thank you, Mr Speaker.

The SPEAKER—The member for North Sydney will resume his seat. The member for North Sydney can take his props back with him.

Mr Albanese—In recent years, the drinks have come out prior to the opposition leader’s response to the budget. It is not appropriate—

The SPEAKER—The Leader of the House will resume his seat and he is warned!

Mr HOCKEY—My question is to the Prime Minister. I refer him to his new $3 billion alcopop tax. I note the two drinks here: a Yellowglen Pink, sold for $4.50, which is not an alcopop; and a Bacardi Breezer, which is sold for also $4.50, which is an alcopop. I say to you, Prime Minister: isn’t your alcopop tax just a tax grab? It does nothing about binge drinking, given that the major competitor to an alcopop is taxed at half the rate and has twice the amount of alcohol. It just shows this is a tax-grabbing con.

Mr Rudd—Which makes it more remarkable that the Leader of the Opposition said that he would support this tax measure when it was first announced. But try to find where the Liberal Party stands on any tax measure or any policy measure at the moment; what the three-ring circus—which equals the leadership of the Liberal Party today—the Leader of the Opposition, the member for Wentworth and the member for Higgins—currently represents on the question of this measure. We have responded to the reports which we have been presented. From the Australian secondary students’ use of alcohol: the proportion of teenage girls aged between 12 and 17 who chose RTDs as their preferred drink rose from 23 per cent to 48 per cent; secondly, between 2000 and 2004, the percentage of female drinkers aged 15 to 17 reporting that they had consumed RTDs at their last drinking occasion increased from 14 per cent to 62 per cent. And, according to a 2007 survey, approximately 20,000 girls aged 12 to 15 reported that they drink daily or weekly. The key challenge here is what government can do about this.

Of course, what is interesting about the figures I have just referred to is they all post-date an important event in the year 2000. What happened in the year 2000? With the introduction of the GST, a certain party in government decided of its own volition, in response to lobbying—we do not know—that this particular group of drinks, RTDs, would in effect have preferential tax treatment. As a consequence of that, we have seen a complete explosion in the use of these RTDs by young people, and in particular by young girls. If you go around the country and if you speak to those who are responsible for accident and emergency wards in the nation’s hospitals, if you speak to the nation’s police commissioners or if you go for a walk through the city at night and see what is happening in the streets of our major metrocen- tres and elsewhere, you will see this is a huge problem. Because of these factors, the government have decided to act—that is, we have decided to embrace a series of measures to tackle binge drinking.

On the question of binge drinking, we have dealt with a whole range of measures: firstly, $14.4 million in community-level initiatives to confront the culture of binge drinking; secondly, $19.1 million to inter-
vene earlier; thirdly, $20 million in advertising that confronts young people with the costs and consequences of binge drinking; on top of that, closing the alcopop tax loophole, which those opposite introduced in the year 2000; and, on top of that again, ensuring that funds can be—

Honourable members interjecting—

Mr Rudd—All these elements form part of an integrated strategy for dealing with this. This is not an easy measure. We are dealing with a very complex social problem, and we must therefore act at every level. We will have more to say about binge drinking in the months ahead, because we are in close consultation with our colleagues in the police service and in the states and territories who are responsible for this.

I find it interesting, again, that here we are today being attacked not just from the left on economic policy by the Liberal Party but also from the libertarian left on social policy. Let us look at these institutions which have come out in support of the government’s measures. The Alcohol and Other Drugs Council of Australia CEO, David Templeman, said:

… this initiative clearly recognised the problems created by the excessive consumption of RTDs which were attractive to the youth market.

Furthermore, the Australian Drug Foundation CEO, John Rogerson, said:

This tax fixes a problem started with the introduction of the GST and shows that the Government is serious about tackling alcohol problems in our community.

I pause at this moment to ask: what did happen back there in the year 2000 to cause this particular tax loophole to be created? This would be a very productive area for inquiry as to why that happened, because the public health consequences which have flowed from that decision have been acute.

Mr Tuckey—Mr Speaker, I raise a point of order on relevance. The system was changed so that people could not put low-tax wine into RTDs.

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

Mr Rudd—If you look at the comments on this measure from the respected health authorities of the nation, they make for sobering reading. The Public Health Association of Australia President, Professor Michael Daube, said:

This is a timely response to a growing social problem.

He continued:

There is now dramatic evidence showing that young women are out-drinking their male counterparts—and unfortunately many of them drink to get drunk … This has been helped by the ready availability of cheap spirit-based drinks, which have become the first choice of young women. Alcopops are the first … drink for as many as 60 per cent of girls.

We then go on to the Alcohol Education and Rehabilitation Foundation CEO, Daryl Smeaton, who said:

International evidence demonstrates that taxing alcopops at the same rate as bottled spirits will change the consumption patterns amongst young people and lead to less alcohol-related harm.

We have here, from the respected public health authorities of the nation—the Alcohol and Other Drugs Council of Australia, the Australian Drug Foundation, the Public Health Association of Australia, and the Alcohol Education and Rehabilitation Foundation of Australia—this series of considered remarks in response to the measure which was introduced by the government in the budget.

What stuns me is that the Leader of the Opposition, a former president of the AMA, when he first heard of this measure that we
introduced said what I thought was the responsible thing:
The proposed increase in the excise on alcopops is something that will be supported by us …
I find it quite extraordinary that, within a week or so in politics, we have a flip-flop on this, as we have had a flip-flop on the whole question of means testing and on every measure under the sun, on the part of those opposite.
This is a difficult and complex area. What the government seek to do through this measure is to close a tax loophole which has been there, created by those opposite back in 2000, and to act in a responsible way to reduce the growth in RTDs and their consumption across the country. We will add to these measures in the future when it comes to other forms of policy which can help to deal with the binge-drinking crisis in Australia. The government are committed to acting in this area. Those opposite, I am sad to say, now pit themselves against the respected public health authorities of the nation and the repeated calls of police commissioners and others across the country to act in this area of critical need. I believe that working families across the country will know which piece of policy actually deals with this problem, as opposed to those who exhibit no interest in it.

Mr Pyne—Mr Speaker, I raise a point of order. The Prime Minister referred to a number of surveys and statistics in his answer. I would ask him to table those for the benefit of the House and, in doing so, I would refer him to the National Drug Strategy household surveys for 2001, 2004 and 2007, which showed that binge drinking—

The SPEAKER—Order! That is not a point of order. The member for Sturt will resume his seat. The request for tabling of documents is in order, but a point of order is not an opportunity to start a debate. Was the Prime Minister quoting from documents? Were the documents confidential? The props, having served their purpose, can be removed somewhere. I could not recommend those products at this stage, but—

Education Funding

Mr PERRETT (2.43 pm)—My question is to the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. Will the minister explain the opportunities offered by the Education Investment Fund and the support the fund has received from the higher education and vocational education and training sectors?

Ms GILLARD—I thank the member for Moreton for his question. A responsible question about government policy stands in stark contrast to the performance of the Liberal Party, which obviously thinks question time is now for clutching bottles of alcohol and hurling over the dispatch box abuse about important social issues like binge drinking. I am sure the member for Moreton is also very interested to hear that the government’s Better Universities Renewal Fund will deliver to his local university, Griffith University, $16.2 million, an investment in a world-class education system—an education revolution. The government has to deliver an education revolution to make up for the more than a decade of neglect of our education system by the former government, by the Liberal Party and by the Leader and Deputy Leader of the Opposition when serving as ministers for education in that government.

Amongst our major initiatives in this budget is the Better Universities Renewal Fund to deliver $500 million to universities by the end of this financial year. But we are also creating the Education Investment Fund of $11 billion, a fund which will enable the renewal and renovation of both the higher education sector and the vocational educa-
tion and training sector. These institutions have been allowed to languish as a result of more than a decade of neglect. The Education Investment Fund is composed of $6 billion coming from the former Higher Education Endowment Fund and a new investment of $5 billion. The money is all about improving higher education and vocational education and training.

The Liberal Party have criticised this fund, as they have criticised all of Labor’s investments in the future. But on these criticisms they show themselves to be out of touch with the thinking of those that care about the future of Australian education. In that regard, I refer to ANU Vice-Chancellor, Ian Chubb, who has remarked in relation to the Education Investment Fund:

Allowing us to draw down from the capital will make an enormous difference to the size and scope of the projects we do. We go from spending on maintenance to being able to plan for a world-class future.

Ms GILLARD—The opposition interject that someone like Ian Chubb, the Vice-Chancellor of ANU, ought not to be making such remarks, but he has endorsed the structure of the current fund. The Vice-Chancellor of ANU has endorsed the Rudd Labor government’s structure of the current fund and rejected the structure of the Higher Education Endowment Fund.

Ms Julie Bishop interjecting—

Ms GILLARD—The Deputy Leader of the Opposition may be interested that the Higher Education Endowment Fund board chairman, Phil Clark—the board chairman appointed by the former government, when the Deputy Leader of the Opposition was the minister for education—has welcomed the new broader endowment structure and the end to the inflexible reliance on earnings. He argues, as reported in the Australian:

The $11 billion is good but the totally integrated framework (of the new fund) is the real winner; most people will miss that.

Clearly, amongst the people who have missed that are the people sitting on the opposition benches, the members of the Liberal Party.

The endorsements for the new fund, as reported in the Australian, go on. Mike Gallagher, the Executive Director of the Group of Eight universities, has said that the way in which capital can be spent is ‘a major shift’. He goes on to say:

Otherwise it would just be this drip … over many years, a couple of hundred of million a year.

He noted that we are ‘billions behind the rest of the world’. The flexible nature of the fund will obviously allow the government the discretion to provide funding where it is needed most.

The endorsements of this new fund go on, endorsements not understood by the out-of-touch Liberal Party. TAFE institutes have welcomed the Education Investment Fund. The CEO of TAFE Directors Australia, Martin Riordan, has hailed the new fund as great news for students and stated:

It will boost TAFE capacity to meet growing demand for 21st century technology training by industry.

Opposition members—Boring!

Ms GILLARD—I understand that members of the Liberal Party are bored by education because they care nothing about it, and I understand that they are out of touch with the thinking of those that care about Australian education and its future. But these endorsements show that the education community understands that the Rudd Labor government, through its budget, is committed to the future of Australian education, committed to delivering an education revolution and committed to overcoming the legacy of neglect left by a decade of Liberal Party rule and, in
particular, the Leader of the Opposition and the Deputy Leader of the Opposition.

**Budget**

*Mr Turnbull* (2.49 pm)—My question is addressed to the Prime Minister. I refer to his previous answer where he said that the additional tax on alcopops will reduce their consumption. Could the Prime Minister explain, then, why page 22 of Budget Paper No. 2 shows that the new tax will raise $640 million in the first year—next year—and $892 million in 2011-12? Surely the Prime Minister must concede that these revenue estimates assume an increase in consumption.

*Mrs Rudd*—When it comes to acting on alcopops, we have taken the appropriate advice, and the appropriate advice proceeds first and foremost from concerned mums and dads in the community, people who work in accident and emergency and people who are in the field and on the front line of policing—people trying to deal with this challenge as it presents itself to them.

*Mr Hockey*—Mr Speaker, I rise on a point of order. This was a very specific question about his own budget papers and why the revenue is increasing.

**The Speaker**—The question might be framed in a way that the member for North Sydney believes is requiring of a direct answer, but in the past the tradition has been that as long as the answer is relevant it can be answered in the way that the executive choose to respond.

*Mrs Rudd*—On the question of alcopops, we have acted because this is a public health concern. We have also acted because those who preceded us in government left this extended tax loophole. On the question of the budget projections, it is very simple: if you increase the cost of alcopops over time, it is going to reduce the growth in the consumption of alcopops. But the unit price will increase, consumption will continue and, as a consequence overall, you will see in the budget papers the revenue consequences which flow. It is very clear, and I am surprised those opposite have not been able to reach that conclusion.

**Budget**

*Mrs Jackson* (2.52 pm)—My question is to the Minister for Health and Ageing. Will the minister outline for the House the evidence supporting the closure of the tax loophole on alcopops?

*Mrs Roxon*—I thank the member for her question. It seems to me that there is one thing that those opposite haven’t adjusted to in being in opposition—that is, they have not yet discovered the existence of the Parliamentary Library. I might like to point out to them where the Parliamentary Library is, but in case they are having difficulty finding where the Parliamentary Library is, I have asked the member for Perth—given there is so much evidence upon which we based these measures—to provide for me and to take members opposite through the numerous public reports filed in the library and accessible to every member of this House.

I can take members through this long list of reports if we want to, and if members opposite really request it of me I will read through each of those. It might be more convenient for the House—and I am sure for Hansard—if I table the list of references and encourage those opposite to use the Parliamentary Library to go and access these materials. What they will find—if they take the time to read through these reports—is the number of quotes that the Prime Minister, the Treasurer and I have taken people through time and time again.

What I will also table for the benefit of those opposite is the Treasury modelling that makes quite clear the basis upon which we have taken this measure.
Ms ROXON—I know the anticipation is killing the shadow minister. I think I am entitled to speak on this question before I table it. I have flagged to you that I am going to table it, so settle down and let’s actually take ourselves through this.

Ms ROXON—The Treasury modelling makes clear the impact of this measure. What we need to talk about and concentrate on when we look at the change in consumption is what consumption would be if we did not take this step, and what consumption would be if we do take this step. The Treasury modelling shows us that this excise change will reduce consumption in 2008-09 by 43 million bottles in one year. Forty-three million bottles is obviously not regarded by those opposite as a large amount. It may be that they have more experience in the amount that can be consumed, but to me that seems like a lot of alcohol.

Ms ROXON—This figure rises to 55 million bottles per year by the time we get to 2011-12. This is equivalent to one million litres of alcohol per year. It is interesting to me that the Leader of the Opposition persists with his enthusiastic opposition to such a sensible measure. This measure is equalising tax treatment for spirit products. The members opposite do not understand that if you drink 30 millilitres of bourbon straight or you drink 30 millilitres of bourbon that is mixed with Coke in a can, you will pay the same amount of excise, courtesy of our decision—not yours.

Dr Nelson—Mr Speaker, I rise on a point of order. Could I also ask the health minister to table the National Drug Strategy Household Survey and Australian secondary students’ use of alcohol?

The SPEAKER—The honourable member will resume his seat. Unless they were quoted by the minister, there is no opportunity provided in the standing orders to ask for them to be tabled.

Mr Pyne interjecting—

The SPEAKER—The member for Sturt should be very careful. The Leader of the National Party does not have the call because he was denied by the member for Sturt, who, I remind, is on thin ice at the moment.

Budget

Mr TRUSS (2.58 pm)—My question is to the Prime Minister. I refer the Prime Minister to the disallowance last night of the govern-
ment’s bid to increase by 1.4c a litre the diesel fuel excise on Australia’s trucking industry. Will the government now abandon this new tax increase, which would push up the price of food and groceries for all Australians?

Mr Rudd—This measure was the subject of extensive deliberation between the state and territory transport ministers. We regard it as a responsible course of action. We believe it is the right measure, and it has been supported by responsible elements of the nation’s trucking industry. We support the measure; and those opposite, if they were being responsible, would do the same.

Budget

Ms Collins (2.59 pm)—My question is to the Minister for Families, Housing, Community Services and Indigenous Affairs. Will the minister update the House on changes to the baby bonus, which benefits working families, and on how this policy has been received?

Ms Macklin—I thank the member for Franklin for her question. The government certainly do support the baby bonus, and as part of the budget we have introduced a number of measures to better target and improve the delivery of the baby bonus. From 1 January next year, a family income test of $150,000 a year will apply to the baby bonus. We consider that this level of family income, $150,000, to be a reasonable point at which to introduce an income test for the baby bonus. The vast majority of families will still continue to receive the baby bonus. Around 280,000 families will be eligible to receive the baby bonus in 2008-09. From our point of view, targeting these measures is economically responsible as well as fair. This government has had to make sure to introduce measures like this to rein in the profligate spending that took place under the previous government which has of course driven up inflation. We have also decided to pay the baby bonus in 13 fortnightly installments to make sure that parents get the cash they need as their bills come in.

The member for Franklin asked me about other views. There have been some interesting views put forward about this. The ANZ Bank’s federal budget report interestingly said:
The decisions to means-test the ‘baby bonus’ and Family Tax Benefit Part B ... are especially praiseworthy as an attempt to improve the targeting of such measures.

But I have to say that my favourite quote is from an article in none other than the Manly Daily under the title ‘Budget’s warm reception’. The member for Warringah, I am pleased to note, is now paying attention. The Manly Daily, for the member for Warringah’s benefit, said:
The Federal Labor Party’s first budget in more than a decade has received strong support from families on the northern beaches.

It went on to say:
Means testing the baby bonus, which will be raised to $5000 as of July, was also supported.

It is unfortunate that members opposite do not spend more time listening to the constituents of the member for Warringah, because, if they did, they would not be in the pickle they seem to be in today.

We have had so many different points of view from those opposite; they just seem to be in a horrible mess. We have had the member for Warringah, the member Canning, the member for Pearce and the member for Indi all divided. Some support it and some do not support it. Then of course we come to the Leader of the Opposition.

A government member—What’s his position?

Ms Macklin—I just do not know. Two weeks ago he was campaigning against any
changes to the baby bonus. Yesterday he repeatedly refused to answer whether or not he supported the baby bonus changes. This morning, he called a doorstop and said, ‘We don’t support means testing as a policy but we are not going to block the budget. We do not support means testing of these things.’ That is what he said this morning, so I thought I would go back and have a look at previous comments about means testing by the current Leader of the Opposition. In the North Shore Times on 30 May 2001—I know you will be surprised!—he said the exact opposite. What he said back then was: Surely it is time now to think more of others and less of ourselves. In this lies the best interests of our nation.

If only he remembered writing this.

Whether that means supporting targeted funding in a federal budget, or supporting a charitable youth program in our own area, it is time to stand up and be counted.

Well, it certainly is time to stand up and be counted, and this Leader of the Opposition has a little bit more time to stand up and be counted. How on earth could he say that we should stand up and be counted when he takes so many different points of view that an Olympic gymnast would be proud? This is yet another about-face from this Leader of the Opposition, who has no idea at all what he stands for.

Budget

Mr HOCKEY (3.05 pm)—My question is to the Prime Minister. I refer the Prime Minister to—

Mr Price—Mr Speaker, I rise on a point of order. I understood you to have already given direction to the opposition about the use of props. I do not understand their continued use of props. Surely this is in defiance of your ruling.

The SPEAKER—The member for North Sydney has the call. I did not actually realise he had a prop in his hand, but I will listen carefully to the relevance of the prop to the question.

Mr HOCKEY—My question is to the Prime Minister, and I refer him to the Treasury advice—

Mr Tanner interjecting—

The SPEAKER—Order! The member for North Sydney will resume his seat. I simply say to the Minister for Finance and Deregulation that the general understanding about props is that, whilst they are tolerated, they are not encouraged. To that extent, there are relevant props—and pops! Can the member for North Sydney please continue without interruption.

Mr HOCKEY—Again, my question is to the Prime Minister. Prime Minister, I refer you to the Treasury advice just tabled by the Minister for Health and Ageing. The assumptions in the Treasury advice include a fifty-fifty chance of a redirection of alcohol consumption to other products as a result of the change in price of RTDs. Given that this product in my hand is not an RTD or alcopop yet has twice the alcohol content at half the tax, can you now come clean and explain to the Australian people why you are not doing anything really about binge drinking?

Mr RUDD—What we are concerned about is the prevalence of data concerning the increased use of RTDs by younger males and, in particular, younger females. Those who occupied the treasury bench when the member for Higgins was the Treasurer decided in 2000, at the time of the introduction of the GST, to provide a special measure in terms of the taxation treatment of this category of drinks, RTDs, and the data since then has shown that the proportion of girls reporting the consumption of RTDs on their last drinking occasion has increased from 14 per cent to 62 per cent. I regard that as a definition of a public health problem. We have
acted responsibly in response to the taxation loophole the previous government left deliberately in this category of drinks. We have acted on it accordingly and we have acted on it according to the advice that we have received.

Budget

Ms OWENS (3.08 pm)—My question is to the Minister for Housing. Will the minister outline the commitments made in the budget to improve housing affordability for working families? How will these measures redress current problems in the housing system, and are there alternative views?

Ms PLIBERSEK—Thank you to the member for Parramatta. The Prime Minister made it clear before the election that new policies and new initiatives that would improve housing affordability would be a central plank of a new Rudd Labor government’s agenda, and Tuesday night’s budget delivers on those commitments. It delivers $2.2 billion worth of new investment in affordable housing for working families and individuals. It is the first budget in 12 years to respond to community concerns about failing housing affordability.

In fact, the former government cared so little about the housing needs of Australians that they did not even have a housing minister. I am very pleased that they now have a shadow housing minister and I was looking forward to reading her press release yesterday. I have enjoyed her previous press releases very much. I was wondering about the tack that she might take. I was wondering whether she would try and attack us on not doing enough for first home buyers. Well, no. It would be very difficult to do that because our $1.2 billion first home saver accounts would make that a difficult line to run. Our first home saver accounts help young Australians save a bigger deposit for their first home by making a government contribution of 17 per cent for the first $5,000 that young Australians put into these accounts each year, taxing them at a special low 15 per cent tax rate and making withdrawals tax free when they are taken out to build or buy a first home. It would be pretty difficult to criticise the greatest revolution in savings culture in Australia since compulsory superannuation reform. This is a reform that will see $6½ billion saved in its first four years of operation, a reform that will see average income earners putting aside 10 per cent of their incomes able to save around $88,000 in five years towards a deposit for their first home.

So she is not able to criticise our efforts for first home buyers. I was wondering whether she would have a go at us about rental properties or affordable homes to buy. That would also be very difficult, because we have our National Rental Affordability Scheme to build 50,000 new affordable rental properties and, if they are needed, another 50,000 affordable rental properties that will be rented out at 80 per cent of market values for low- and moderate-income earners, providing a source of growth funding for community housing, delivering lower rents for the people who need them most and, for the first time in Australia, making investment at the more affordable end of the rental market attractive to institutional investors.

What about homeownership? We have a $512 million fund—half a billion dollars—to bring down the cost of new homes to buy, particularly at the entry level of the market. So the shadow minister is not able to criticise us on first home buyers, on affordable rental market or on houses to buy. The shadow minister took an even more courageous path. The press release was entitled ‘Labor budget disregards public housing’. That is very, very brave from the former government that cut $3.1 billion out of public housing, that cut housing in real terms by 30 per cent and that
presided over a public housing system that had 20,000 fewer homes in it when they left office compared to when they went into office—very brave indeed.

The shadow minister went on to say that it was a critical component of the overall housing supply chain. I think that every person on this side would agree with that—but then we are not the ones that cut $3.1 billion out of public housing. She called it ‘the part of the system under most stress’. Well, it is no wonder it was under most stress, having had $3.1 billion cut from it.

Mr Pyne—Mr Speaker, I rise on a point of order. I was not going to split hairs, but the minister repeatedly refers to the member for Farrer as ‘she’. Under standing order 64(c), she should refer to her division—

Honourable members interjecting—

Mr Pyne—The minister should refer to her division, and that is why I took this point of order.

Honourable members interjecting—

The SPEAKER—Order! People on both sides are denying the minister the call. I thank the member for Sturt for illustrating a very important principle: that members should be referred to by their titles.

Ms PLIBERSEK—Mr Speaker, I will take that correction in the spirit in which it was intended, because I think that the member for Farrer is a really lovely person. I like her very, very much. I want to put that on the record. When I meet housing developers, builders and people in the social housing area and when I meet people struggling to pay their mortgages and struggling to pay the rent and they ask me, ‘Is there a shadow minister? What is her name?’ I say: ‘There is—it’s the member for Farrer. She’s a great human being,’ and they look forward to meeting her eventually too.

This budget delivers on housing affordability for Australians. It makes a down payment on our efforts to tackle homelessness. It doubles financial counselling; it helps with environmental measures for people’s own homes and for rental properties. The government has begun talks with the states, the private sector, people in community and public housing areas and mums and dads. I believe that—despite the fact that we cannot fix 12 years of Liberal Party neglect overnight and there is no silver bullet to housing affordability—this $2.2 billion of new measures will begin to turn around problems of housing affordability in Australia.

Budget

Ms JULIE BISHOP (3.15 pm)—My question is to the Treasurer. I refer the Treasurer to his new tax on canteen meal cards. Is the Treasurer aware that the Chop Chop sandwich shop in Sydney, for example, estimates that it will lose $200 a day in sales as a result of this new tax? Treasurer, how many other small businesses will be injured by this new tax? When the Treasurer boasts, ‘This is a budget for working families,’ does the Treasurer exclude family businesses and their employees?

Mr SWAN—This is not a new tax. This is the closing of a loophole which has given some people a very considerable advantage over others. When an ordinary punter wants to go out from work and buy a coffee, they pay for it in after-tax income, but through this loophole, which has been exploited, through salary sacrifice some people have been getting their lunch tax free. That is what they have been doing. It has been a loophole that has been exploited for a long time and we are not ashamed to close it.

National Security

Mr BEVIS (3.16 pm)—My question without notice is to the Minister for Defence. Will the minister outline to the House the
government’s continued commitment to the defence of this country.

Mr FITZGIBBON—I thank the member for Brisbane for the opportunity to talk about the Labor government’s absolute commitment to the defence of the nation, its people and their interests. His interest in these matters is well known. In framing the defence budget the government had two key objectives in mind.

Mr Haase interjecting—

The SPEAKER—I warn the member for Kalgoorlie!

Mr FITZGIBBON—The first, of course, was to ensure that Defence, in the short term, had sufficient funding to undertake its tasks at a level appropriate to do that job effectively—as efficiently and as safely as possible. The second was to put the defence budget back on a sustainable footing. Not only did the new government inherit a serious inflationary situation in the economy, we also inherited a dysfunctional defence budget full of black holes. Let me give you a couple of examples. There are the so-called net personnel and operating costs—these are the sustainment costs of keeping our defence capability going. There was a shortfall of up to $7 billion over the course of the next 10 years, a shortfall the new government has to fill. Second, there is the enhanced land force—this is the two new battalions being raised. There was up to a $700 million shortfall in the funding of that project. Again, the new government has to fill this hole.

Do you think the now Leader of the Opposition when he was defence minister allocated funding for the overdue pay rises for our troops? No, he did not. There was an $800 million shortfall over the forward estimates. In addition to that, we now have to find the money for failed capability—just take the Seasprite helicopters, for example. Not only did the former government flush a billion dollars or more down the drain; the new government now has to find the money necessary to replace that capability.

There is no doubt that we met the first objective—that is, the continuity in funding. In the coming fiscal year, we will spend a record amount of money on defence, up seven per cent on what will be spent in the 2007-08 year. On the second objective—that is, putting the budget back on a sustainable footing—we have substantially laid a very solid foundation. Prior to the election, we said that we would grow the defence budget by three per cent annually out to the year 2016. On Tuesday night we announced that we would grow the defence budget by, on average, four per cent annually right out to the year 2018. This lift in funding means more money for defence, but the additional two years means that we can now plan for capability and force structure on a decade-long basis. We will have the confidence to be able to do so as a result of these new initiatives.

Properly financing our defence needs is not just about stumping up the cash; it also requires a lot of hard work. It means ensuring that Defence is an efficient organisation and that every dollar spent is a dollar spent well and efficiently. It means showing leadership and having the courage to take the tough decisions necessary to ensure scarce money is not being squandered in layers of bureaucracy. It means stopping the waste and mismanagement which has become so synonymous with defence procurement in this country.

In addition to the white paper, the government has commissioned nine companion reviews which collectively will reassess the way we do things right across the non-military side of the Defence organisation including issues like management structures and information technology. The new government is putting in place a plan to ensure
that, over the course of the next decade, de-
fence not only gets the money it needs but
also that every dollar stretches further and
taxpayers get value for money. The work on
that plan commenced last December and it
received a big boost in Tuesday night’s
budget.

Budget

Mr DUTTON (3.21 pm)—My question is
to the Prime Minister. I refer the Prime Min-
ister to a plea from the Holdsworth family of
Nelson in the Hobart Mercury:
Kevin Rudd don’t hit us with luxury car tax on
our essential piece of equipment, our Tarago. We
are a family of six including one disabled child.
This is not a luxury. For us a luxury is a holiday
or rump steak. Maybe we should buy a non-
luxury car with roof racks and put the wheelchair
and two kids on the roof. Please don’t make life
for bigger families harder than it is.
Does the Prime Minister believe that this
family and the many families with disabled
children around the country deserve to be hit
by his new Tarago tax?

Mr RUDD—I am unaware of the report
that the honourable member has referred to. I
do not doubt his rendition of it. As I said be-
fore to the Leader of the Opposition, we will
look carefully at the report and come back if
we have something further to say on it.

On the question of the luxury car tax, we
stand by it. We believe it is necessary be-
cause we believe it is important to produce a
responsible economic outcome for the na-
tion. Can I say that we believe that all rele-
vant taxation measures are appropriate. It
would be very interesting at this stage to cal-
culate the quantum of the individual budget
measures which have been laid to one side
by those opposite in their comments in the
last couple of days. That amount is now
quickly adding up to billions upon billions of
dollars. On the individual circumstances that
the honourable member has raised, we will
look at the matter further.

Regional Development

Mr DREYFUS (3.23 pm)—My question is
to the Minister for Infrastructure, Trans-
port, Regional Development and Local Gov-
ernment. Would the minister outline how the
government is assisting regional develop-
ment in Australia? Has the government
changed the areas in which regional develop-
ment assistance can be given?

Mr ALBANESE—The government are
indeed committed to delivering for regional
Australia, and our budget on Tuesday night
delivered $176 million to fulfill our Better
Regions election commitments. Next year
we will establish the Regional and Local
Community Infrastructure Program, a pro-
gram that will encourage economic develop-
ment and invest in local community infra-
structure. We provided on Tuesday night $74
million for the new regional development
Australian network; $8 million for the Office
of Northern Australia, which will be based in
Townsville and Darwin; $10 billion for rural
and regional road and rail initiatives over the
next five years; and $1.9 billion for local
government across Australia. All of that is on
top of the $20 billion Building Australia
Fund that will deliver critical infrastructure
for the nation’s regions.

I was intrigued to hear the former gov-
ernment continue to defend their approach to
regional development, in particular the Re-
gional Partnerships program. I was intrigued
to see the member for Calare and my shadow
minister stating that he was worried that La-
bor had changed regional programs so that
city groups could now compete for funding.
He argued that Regional Partnerships had
excluded funding in the cities, and said of
Labor’s approach:

It is going to make a town like Tibboburra in
the far north-west, the most isolated town in New
South Wales, compete with areas like Wollongong, Newcastle and Sydney.

That backs up comments by the leader of the Nationals, who said on 8 May to the ABC about the Regional Partnerships program:

This program was specifically designed to provide things in small communities. The big cities have got the resources and can often provide, on a commercial basis, projects that are simply unviable in regional areas.

So there you have it—post election the senior members of the National Party and the opposition arguing that Regional Partnerships money was just for regional areas. The reality of course is very different. Regional Partnerships provided $43 million on a political basis for projects in Australia’s capital cities whenever it was convenient.

When you think about regional Australia you think about Orange, Tibooburra, Townsville, Wangaratta—you think of these regional communities around the nation. Well, just before the last election, under the Regional Partnerships program, the former government committed $1.5 million for a surf lifesaving club. Was the surf lifesaving club on the Sunshine Coast in Queensland, at Coffs Harbour in New South Wales or perhaps on the Surf Coast in Victoria? No, it was at Bondi Beach. Under the Regional Partnerships program, $1.5 million went to a club at Bondi Beach. But, of course, there is form. It was not just the North Bondi Surf Club in the electorate of the shadow Treasurer, the member for Wentworth, who was under pressure during an election campaign, which received funding. There is form here because in 2004 the then government committed $422,000 for a marine discovery centre, again under the Regional Partnerships—

Mr Randall—I rise on a point of order.

The SPEAKER—The member will resume his seat; he knows that is not a point of order.

Mr ALBANESE—I understand that they do not want to hear this, but I am happy to talk about Regional Partnerships consistently in this parliament. You would think that the marine discovery centre funded under Regional Partnerships might be on the Great Barrier Reef. But let us not be East Coast centric; it might be at Ningaloo. There are lots of areas where it could be in regional Australia. Oh no, it was at Bondi as well—in the electorate of Wentworth. And it does not stop there. Regional Partnerships had a forerunner—the Regional Assistance Program. Nine hundred thousand dollars went to the electorate of Wentworth. It does not just stop at regional funding. Let us come to roads. The former government had a program called the Strategic Regional Program. It was designed for disadvantaged regional areas suffering from drought. Do you know where $2 million dollars went for a road under the Strategic Regional Program?

Opposition members—No.

Mr ALBANESE—You want to hear. When you go to Bondi Beach, go to Campbell Parade. Campbell Parade was funded $2 million under this program. Geography had nothing to do with how regional funding occurred under the former government. It was all about politics. Yet, now they are in opposition, the shadow Treasurer, the member for Wentworth, said just on Tuesday that inefficient programs should be ‘changed, revised, removed’. So when he is part of the government, he is prepared to sit in the cabinet room and take money from regional Australia to funnel it into marginal seats in Sydney. It is all about complete fiscal irresponsibility. That defines this opposition—an opposition that has completely lost its way, an opposi-
tion that is prepared to mislead the Australian public when it—

Mr Dutton—Mr Speaker, I rise on a point of order regarding relevance. How can this hypocrite talk this way when he has just set up a $41 billion slush fund?

The SPEAKER—The honourable member knows that was not a point of order. The honourable member will leave the chamber for one hour under standing order 94(a).

The member for Dickson then left the chamber.

Mr ALBANESE—The member for Wentworth is very excited about this. He thinks this is terrific because he is the shadow Treasurer with no idea about economic responsibility, no idea about good infrastructure funding such as that which we are providing—a planned approach to infrastructure development. On the other side, it was all about pork during election campaigns. That is one of the reasons they were rejected last November. They were rejected because they had no long-term plan for the future.

Taxation

Mr TURNBULL (3.32 pm)—My question is addressed to the Treasurer. Will the Treasurer confirm that, as a direct result of policy decisions taken by his government to increase taxes, revenue will increase by $19 billion over the forward estimates? Treasurer, how will increasing taxes and increasing prices help Australian families, pensioners and small businesses?

Mr SWAN—I thank the member for his question because revenue as a percentage of GDP will go down. The high-taxing people are on that side of the parliament and the shadow Treasurer knows this. What we have here is the party of low surpluses and high spending, putting upward pressure on inflation. It falls to this government to rein in that spending, to deliver the tax cuts that were earned by the Australian people. We have done that by spending cuts and big savings in this budget: $7 billion worth of savings in 2008-09 and $33 billion of savings over the forward estimates. It does not matter how he tries to fiddle the figures; they are the facts. He cannot hide from his economic irresponsibility.

This shadow Treasurer is the best friend inflation ever had. He absolutely is. And he is in there with the former Treasurer as well, the member for Higgins. The legacy they left this country was high inflation. We have brought down a responsible budget that tackles inflation, delivers for working families and invests in the future. All the opposition want to do is scuttle a responsible budget. The Australian people will see them for what they are—opportunists and nothing else.

RUDD GOVERNMENT

Suspension of Standing and Sessional Orders

Mr TURNBULL (Wentworth) (3.34 pm)—I move:

That so much of the standing and sessional orders be suspended as would prevent the Member for Wentworth moving immediately:

That:

(1) this House condemn the Rudd Government for the misleading claims that its first budget would fight inflation, when instead, the Treasurer has delivered a budget that increases inflationary pressures and does nothing to relieve cost of living pressures on Australian families, seniors, pensioners and small businesses; and

(2) for delivering a budget under the cover of a mountain of spin that, in reality, increases taxes on cars, tourism, alcohol, health insurance, computer software to name a few, along with other measures that will generate a revenue windfall of $19.5 billion for this same old-style tax and spend Rudd Labor Government.”
This is an urgent matter for the House to consider now and we must suspend standing orders because this budget is built on a mountain of falsehood. For months, the Treasurer has wandered around the country saying that he was going to fight inflation with massive cuts in spending and what has he done? He has brought in a budget that increases spending. When you look at his own budget papers—at statement 3 of Budget Paper No. 1—you see there that the result of his own policy measures, his own decisions, is to increase spending in every year of the forward estimates.

We need to debate this now, urgently, because, far from delivering a budget that was in accordance with what he told the Australian people, the Treasurer has delivered the exact reverse. And now he stands up and says, 'It's only a mild tightening.' Well a few weeks ago he was saying it was going to be a massive cut in spending. What sort of Treasurer do we have in this country? He is so incompetent that he will mislead the Australian public about what will be in his own budget, claiming it will put downward pressure on inflation. He is so dishonourable in this House that he will misrepresent public research from market economists.

This is a Treasurer who quoted just a moment ago the approval, so he said, of the Commonwealth Bank and yet here we have the Commonwealth Bank's own research. What does it say about the budget?

The government has fallen short of its own rhetoric of putting downward pressure on inflation in the short term. That is precisely what we have been saying. Market economists do not normally make scathing remarks about budgets, but there you have it from the Commonwealth Bank. The Treasurer did not want to table the research from Goldman Sachs JBBWere. He did not want me to do it either because what that research says, in a passage that he chose not to quote, is this:

While the ALP has gone to great lengths to claim that this Budget will ease inflationary pressures, most of the supply enhancing initiatives involve large implementation lags.

In reality, the ALP's biggest contribution to inflation is that it is not making the inflation process worse.

That is not a citation for an inflation-fighting medal; that is the faintest of faint praise. We need to suspend standing orders urgently because of the dishonesty and the confusion associated with this budget. We have heard from the Prime Minister and the health minister that the new tax on alcopops will decrease consumption. Yet, every single year of the forward estimates, the massive revenue from this new tax goes up from $600 million to more than $800 million in just four years. The Prime Minister wants us to believe that that is nonetheless a reduction in consumption. The Prime Minister no doubt has advice from great mathematicians and economists behind him, but how can you have a tax based on volume of alcohol which increases year after year if there has not also been an increase in the volume of alcohol sold? So, after days of obfuscation, they finally produce a Treasury paper which suggests that this tax, this $3 billion of additional revenue, may reduce consumption from what it otherwise would have been by—wait for it—four per cent. That is what they are arguing for. That is going to save the young from drinking RTDs; a tiny reduction in consumption from what it otherwise would have been, and a massive revenue windfall for the government. That is the best they can produce. This is nothing more than a tax grab, a blatant tax grab.

Then we come to the dishonesty of their 'soak the rich' programs. Let us talk about the means test on the baby bonus. A household with two parents, each earning 40 per
cent above the average weekly earnings, would be caught by this means test. A household that earned $75,000 in the six months after the birth of their child would receive the pre-tax equivalent, in terms of income including the baby bonus, of $83,300. If they earned $76,000, they would be nearly $7,000 worse off. That is the result of the extraordinary effective marginal tax rate the Treasurer has created. What a disincentive to work. It has no taper rate. There is no consideration for what it does to incentives. What this tax will do is provide a real and massive disincentive to work for households who have just had a baby. If they are going to earn a dollar more than the $75,000 figure, they lose the lot. They do not lose a few dollars; they lose the lot. The effective marginal tax rate is disgracefully, unprecedentedly high. Remember that the Treasurer is the man who said famously, ‘nobody knew about EMTRs until I came along’. Well, nobody has seen an EMTR as big as the one he is creating here. This will save $70 million, and that is without any taper rate, with a totally unjust arrangement and a huge effective marginal tax rate. It will save $70 million out of a $1.5 billion program. This is a $70 million fee to buy a headline ‘Soak the rich’.

What about the other ‘soak the rich’ tax — the tax on so-called luxury cars? We have heard about the large families who have a lot of kids and need to buy people movers and vans. They have no choice. They are not buying a car worth $57,000 or more because they want to roll around in leather in a Ferrari or anything like that. They are doing it because they have a big family and they need to move them around. But they will pay the tax. It is not a tax on the rich; it is a tax designed to get a headline about ‘soaking the rich’. It is a tax that hits large families. A hundred thousand cars a year are sold that fall into this bracket and the vast majority would not be regarded as being cars of the rich. There are hardly any Bentleys, Rolls Royces or Ferraris. These are cars bought by large families who need to move around with their family. They are going to be paying a higher price for that.

Next we come to the greatest con of all: the funds. This is not an investment in infrastructure; it is the creation of a bank account with ‘infrastructure’ written on the title page. There is no guidance and no indication of how that money will be invested or what economic return will be sought. How do we know whether it will be given away to inefficient state utilities? This is a Treasurer who has said, year after year, that the member for Higgins ran big surpluses and hoarded them so that he could dole them out at election time. He said yesterday at the National Press Club of Australia that ‘this fund can fund election promises’. In other words, he is creating a special Labor Party slush fund which will be drawn from at election time to subsidise the inefficient and incompetent utilities of his Labor mates in the states. (Time expired)

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

Mr TRUSS (Wide Bay—Leader of the Nationals) (3.44 pm)—I second this motion.

It is high time that there was a suspension of standing orders to bring this government to account for the biggest taxing, biggest spending budget in Australian history. The Treasurer ran away from yesterday’s MPI; may he stay here and answer the questions today. This Labor budget will do nothing whatever to lower fuel and grocery prices, nothing to help keep people in their homes, nothing to shorten hospital queues and nothing to boost plummeting business and consumer confidence. The government’s spin doctors would have us believe that this is a budget that is designed by Robin Hood: to take from the rich to give to the poor. But is a large family
that needs a people mover rich? Is a family with a disabled child rich?

Mr Price—Madam Deputy Speaker, I rise on a point of order. The Leader of the Nationals has to show why standing orders should be suspended, not argue the substantive case of the suspension.

The DEPUTY SPEAKER—I ask the Leader of the Nationals to return to the suspension motion.

Mr Truss—Madam Deputy Speaker, I made that point right at the beginning. We need to have a suspension of standing orders so that these matters can be brought to account before the parliament goes home for a week’s recess. Labor is telling us that a family that needs a modified vehicle for their disabled child is rich, that a family that lives in a remote community with a dirt road and needs a four-wheel drive is rich, and that a family that earns $75,001 dollar in a six-month period is too rich to have some help with their baby. This is in fact a budget that will hurt the poor. It is Robin Hood in reverse. It will be the poor who will suffer when one million extra people are put on the public hospital queues because of Labor’s tampering with the private health insurance. It will be the poor who will suffer, because this budget does nothing about food prices and petrol prices and will certainly do nothing when people have to pay higher mortgages as a result of the increased interest rates that it will deliver.

And what if you are one of the 140,000 that this government is calculating will lose their jobs—the 140,000 this callous government thinks are dispensable and whose jobs are not important? This budget delivers nothing for pensioners and self-funded retirees. There are no tax cuts for them, just higher grocery prices, higher petrol prices and longer hospital queues.

The DEPUTY SPEAKER—I remind the speaker that this is a motion for the suspension of standing orders and he should return to the topic.

Mr Truss—This motion for the suspension of standing orders is not about binge drinking; it is about binge taxing. That is what the Labor Party are delivering to this parliament. The Prime Minister has confirmed today that Labor are going to continue with their attempts to introduce higher taxes on the transport industry, guaranteeing, as the Minister for Infrastructure, Transport, Regional Development and Local Government said, that food prices will go up $17. We need to know what the response of the government is to those issues before we go home. Isn’t a $17 increase in grocery prices sufficiently important for this House to take time to consider the impacts of this budget? You do not just have to take my word for the fact that this is a budget that is going to hurt pensioners. If the Government Whip does not think this is important, maybe he might like to talk to Mrs Hogan, the secretary of the Acacia Ridge Pensioners League, hardly a hotbed of coalition support. She said that her generation felt humiliated and the budget had just made the wound worse. She said:

A great number of people have been really let down because they thought a Labor government was going to be more caring.

She went on to say:

There was ... nothing in there for pensioners and it really is a struggle.

That is the kind of Labor Party we have. This is also a budget of broken promises. They said the family tax benefit would have a threshold of $250,000; now it is $150,000. They said they would not touch the Medicare levy surcharge. They said they would provide rebates for solar water installations and now they are means tested. They said they would build 260 childcare centres but they...
are funding only 38. They said there would be Medicare centres in military bases and they are not there. This is a budget of broken promises, letting the poor down, letting the Australian people down and letting 140,000 people who are going to lose their jobs down. And if you happen to live over the hill, outside of the gaze of the minister’s office in central Sydney, you will be let down especially, because there is a billion dollars worth of cuts in this budget for people living in regional Australia. (Time expired)

Mr SWAN (Lilley—Treasurer) (3.49 pm)—This is, I think, the fifth attempted suspension motion this year. Do you know how many there were in the whole of last year? There were three. What we have is another desperate manoeuvre from the member for Wentworth, who is absolutely desperate to get on TV tonight, to get on TV before 7.30 tonight, to get on TV before the Leader of the Opposition tonight. This is a speech on a motion which was moved by someone who is a pretend leader and perhaps a temporary leader, the pretender from Point Piper. We have heard a lot about his record. He likes to parade himself around as if he is some expert in business, a guru in economics. We have heard a litany of figures from him today, all of which are absolutely incorrect, and we have had to go through the embarrassment of his inaccuracy being shown up by Goldman Sachs, his former employer.

Mr SWAN—This was a speech by a member of parliament who was beaten by a few votes in a ballot a few months ago and who wanted to beat his leader to the television news tonight. That is what it was all about. What he has proved today is that he will say anything.

Ms Julie Bishop—Madam Deputy Speaker, I rise on a point of order. I ask that you bring the Treasurer back to the motion on the suspension of standing orders.

The DEPUTY SPEAKER—The Treasurer will return to the motion on the suspension of standing orders.

Ms Julie Bishop—Madam Deputy Speaker, I rise on a point of order. I ask that you bring the Treasurer back to the motion on the suspension of standing orders.

The DEPUTY SPEAKER—The Deputy Leader of the Opposition will return to the motion on the suspension of standing orders.

Mr SWAN—This was the speech of an ego that could not bear not to be on the television news tonight—somebody who is so out of touch he thinks we should pay welfare to millionaires.

Ms Julie Bishop—Madam Deputy Speaker, I rise on a point of order of relevance. I ask that you bring the Treasurer back to the motion on the suspension of standing orders.

The DEPUTY SPEAKER—The Deputy Leader of the Opposition will resume her seat, and I will point out that I had as much success with the Leader of the National Party in asking him to address the motion.

Ms Julie Bishop interjecting—

The DEPUTY SPEAKER—So did several others!

Mr SWAN—The speech from the member for Wentworth today just proves he will say anything and do anything. What we have seen—

Ms Julie Bishop interjecting—

The DEPUTY SPEAKER—The Deputy Leader of the Opposition had a lot of latitude during question time—more than I would have given!

Mr SWAN—The speech from the member for Wentworth today just proves he will say anything and do anything. What we have seen—

Ms Julie Bishop interjecting—

The DEPUTY SPEAKER—The Deputy Leader of the Opposition had a lot of latitude during question time—more than I would have given!
08 to 23.8 per cent of GDP in 2008-09. That is what the budget papers say, but more fool you if you believe the member for Wentworth. That is the tax-to-GDP ratio that is in the budget papers.

The member for Wentworth has been going around Australia saying: ‘There’s no problem with inflation. It’s a fairy story.’ That is how out of touch the member for Wentworth is. He would not have a clue what life around the kitchen table in this country is like for families that are struggling to pay their bills. If he did have a clue, he would support our savings measures in this budget that build the surplus to protect the working families—

Mr Hartsuyker—Madam Deputy Speaker, I rise on a point of order. This is a motion on the suspension of standing orders, and the Treasurer is varying wildly from the motion.

The DEPUTY SPEAKER—The member for Cowper will resume his seat. I ask the Treasurer to return to the motion before the House.

Mr SWAN—We have found $7 billion worth of savings in this budget, something that the previous government could not find. But the member for Wentworth is in the giveaway department. When he was last in government, as the minister for infrastructure demonstrated before, there were a lot of giveaways, particularly in Wentworth, but not for the people of Australia. And now he is in opposition he is in the giveaway department again. He wants to pay welfare to millionaires; he is in the giveaway department again. He wants to go out there and irresponsibly attack the strong surplus this government has responsibly put in place to tackle inflation, provide the buffer we need from international uncertainty and give us the capacity to invest in the future. All of those opposite—listen to them today through question time—have simply lost the plot. They are consistently inconsistent and there is not a semblance of economic responsibility about any position they take. When they left government, spending was growing at over four per cent. We had the highest-spending growth of any four-year period in a long time.

Mr Hartsuyker—Madam Deputy Speaker, I again rise on a point of order. I would again ask you to remind—

The DEPUTY SPEAKER—Thank you, I have heard the member for Cowper’s point of order.

Mr Hartsuyker—Madam Deputy Speaker, he has not made—

The DEPUTY SPEAKER—The member for Cowper will resume his seat.

Mr Hartsuyker interjecting—

The DEPUTY SPEAKER—I have asked the member to resume his seat! I ask the Treasurer to return to the motion before the House.

Mr SWAN—Spending as a share of GDP—

Ms Julie Bishop interjecting—

The DEPUTY SPEAKER—The Treasurer has the call!

Mr SWAN—Spending as a share of GDP in 2008-09 is lower than in any budget delivered by the last government. It is lower, contrary to all of the outrageous and mad figures used by the member for Wentworth and contrary to the claims from the member for Wentworth in the House today.

Mr Truss—Madam Deputy Speaker, I rise on a point of order. The Treasurer continues to defy your ruling. He has not once referred to the question that is before the House—not once.

The DEPUTY SPEAKER—The Leader of the Nationals will resume his seat. I will
ask the Leader of the Nationals to read his contribution to this debate afterwards and reflect on that as well.

Mr SWAN—This government is honouring its commitment to responsible economic management. It lies at the core of this budget. It lies at the core of our surplus; it lies at the core of our savings measures; it lies at the core of our funds to put in place investment for the infrastructure, the health and the education needs of the Australian people well into the future. That is why we have budgeted for a strong surplus of 1.8 per cent of GDP. We are banking all of the revenue windfalls. What the previous government did was to take this endless stream of money, it was raining gold bars, and then they went out and spent it. When they went out and spent it, they put upward pressure on inflation. And we now know, courtesy of the FOI from the Treasury, that the previous Treasurer, the member for Higgins, was advised by the Treasury not to go on a spending spree in the lead-up to the last election. But he did.

Mr Turnbull—But you’re spending more!

The DEPUTY SPEAKER—The member for Wentworth is warned!

Mr SWAN—He spent like a drunken sailor and the working families of Australia are now paying the price. Eight interest rate rises in the last three years is the legacy of the member for Higgins, and apparently it is this behaviour that the member for Wentworth completely condones and supports. If he does condone and support that behaviour, it shows he is absolutely unqualified to lead a political party in this country. We have a very big inflation challenge on our hands, and inflation is the enemy of prosperity. It is the enemy of working families and it is why, in this budget, we have worked so hard to put in place our savings to build the surplus and to put the investment in place for the future. But none of these things are understood by the member for Wentworth. He is utterly irresponsible!

The DEPUTY SPEAKER—Order! The time for this debate has expired.

Question put:
That the motion (Mr Turnbull’s) be agreed to.
The House divided. [4.03 pm]
(The Speaker—Mr Harry Jenkins)

Ayes………….. 61
Noes………….. 80

Majority……… 19

AYES

CHAMBER
Mr HALE—My question is to the Minister for Agriculture, Fisheries and Forestry. Will the minister update the House on developments relating to fishing off the coast of Northern Australia?

Mr BURKE—I thank the member for Solomon for the question, acknowledge his engagement with both the recreational and commercial fishing sector off the coast of Darwin, and note his commitment to the fight against illegal fishing. I wish to advise the House in response to that question that between 17 and 30 April the Australian Fisheries Management Authority apprehended some 33 vessels off the coast of Northern Australia suspected of illegal fishing. Following investigations, I am advised that nine of the vessels and 55 of the fishermen were not engaged in illegal fishing. I am further advised that the vessels were apprehended in accordance with the Australian government guidelines dealing with vessels operating north of the provisional fisheries surveillance and enforcement line under treaty arrangements between Australia and Indonesia with respect to the south of the seabed boundary area.

In this area, as opposed to many of the other areas where we patrol for illegal fishing, we have control of the seabed, whereas Indonesia has control of swimming species, and jurisdiction there. As could be the case for any law enforcement activity, suspicions that form the basis for apprehension do not always amount to evidence of actual wrongdoing. When that happens law enforcement officials act promptly to release the individuals they have apprehended, and that is exactly what has happened on this case.

I am further advised that, of the nine vessels that were not engaged in illegal fishing—they were fishing legally—when they were apprehended, four of those vessels were destroyed at sea because they would have presented serious risks to safety had they been towed. Another vessel was destroyed in Darwin Harbour because it did begin to sink,

CHAMBER
and two of the remaining vessels are not seaworthy. In accordance with the international law of the sea, the government will compensate the fishermen—those who were fishing legally—for the loss of their vessels and their fishing equipment.

My colleague the Minister for Immigration and Citizenship, from the other place, has advised that six of the 55 were minors and that they have all been accommodated appropriately by his department at a local motel. He also advises that his department is promptly working towards the relocation of the crews of the affected vessels from the Northern Immigration Detention Centre to alternative accommodation in Darwin, with a view to expediting their return to Indonesia at the earliest possible time. It is expected that those remaining in detention will be relocated today from the immigration facility and accommodated under community based detention arrangements, which probably will be motels in and around Darwin.

Mr Haase—So what’s the word? ‘Come on down,’ is it?

The SPEAKER—Order! I remind the member for Kalgoorlie of his status. The member for Kalgoorlie has been warned and I am reminding him, which is very generous.

Mr BURKE—These crews, all of whom were involved in legal fishing, will be kept together and accompanied by a detention service provider officer until Saturday when the fishers will be returned to Indonesia. The minister also advises that his department is developing a management strategy for the remainder of the illegal fishermen detained at the centre. This will include the engagement of additional staff to expedite the number of illegal foreign fishers at the detention centre as quickly as possible.

The government does not resile from its tough stance on illegal fishing. However, as can be the case in any law enforcement activity, genuine errors can be made. Given the numbers of people involved, I felt it was important to inform the House directly of these matters. I also note, with our gratitude, the cooperation and assistance of the Indonesian authorities, and the work we do together with Indonesia to combat illegal fishing. The Indonesian consulate is expected to provide travel documents for this group by noon tomorrow to assist their return to Indonesia.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Budget

Mr Rudd (Griffith—Prime Minister) (4.18 pm)—Mr Speaker, I seek leave to add to an answer I gave earlier to a question by the member for Dickson, who I do not think is with us anymore.

The SPEAKER—The Prime Minister may proceed.

Mr Rudd—I will add to the answer in two respects. This was a question in relation to the luxury tax on motor vehicles, and in my response I also dealt with the overall impact which that would have on the budget surplus if that tax was to be removed. I said it would result in some billions of dollars being removed from the budget surplus were the opposition to proceed with that measure, together with other measures, which they have put forward.

In fact, for the benefit of the House’s information, we have calculated that there have been opposed now some 20 budget savings measures—$2.9 billion in 2008-09; $3.1 billion in 2009-10; $3.4 billion in 2010-11; $3.2 billion in 2011-12. The opposition is opposed to a total, based on our estimates, of $13 billion in savings measures over the forward estimates, meaning there is a very basic and fundamental challenge for the Leader of the
Opposition tonight, which is to indicate where these savings will be otherwise met within the budget.

Ms Julie Bishop—Mr Speaker, I rise on a point of order. This is an abuse. He is not seeking to add to the answer to the question from the member for Dickson. This is not adding to an answer and he should be stopped.

The SPEAKER—The Deputy Leader of the Opposition will resume her seat. I understand the Prime Minister wants to add to the answer.

Mr Rudd—I indicated that I wished to add to the answer in two respects. The second respect concerned the point made by the member for Dickson concerning the impact of this tax in relation to those who have a responsibility for people with disabilities or have disabilities themselves. I will, for the information of the House, say that there are already a range of existing exemptions to avoid hitting people with disabilities with luxury car tax. We will therefore be consulting closely with disability groups in drafting our legislation to ensure there are no unintended consequences for those suffering disabilities.

Dr Southcott—The Prime Minister was quoting from a document and I ask him to table the document from which he was quoting.

The SPEAKER—I will deal with the matter at the earliest opportunity that I have. I undertake to the member for Boothby to do that.

Mr Andrews—Mr Speaker, I rise on a point of order. That was a deliberate abuse of the House by the Prime Minister. He knows the convention in this place, because he sought to rely upon it himself, that he should respond as to—

The SPEAKER—The member will resume his seat. I have undertaken to the member for Boothby to do something appropriate at the earliest opportunity.

Mr Andrews—Knowing that that was the request being made of the Prime Minister, and seeing him deliberately walk out of the House, why did you not request him to stay and to follow the procedure as has been—

The SPEAKER—The member will resume his seat.

Mr Tuckey—Mr Speaker, I have a point of order. I was waiting for you to deliberate on the previous one. I draw your attention to the fact that we have a Serjeant-at-Arms up there and the history of this place would tell you that I have had some conflict with one of them in the past. But the reality is that, when that request was put, the Prime Minister was this side of the Serjeant-at-Arms and I think it was the responsibility of the chair to call upon the Serjeant-at-Arms to ask the Prime Minister to return.

The SPEAKER—There are a range of possibilities and opportunities that I might have had, including perhaps asking the member for O'Connor to intervene. I will intervene and will get back to the member for Boothby, who has raised an appropriate request.

AUDITOR-GENERAL'S REPORTS

Report No. 33 of 2007-08

The SPEAKER (4.23 pm)—I present the Auditor-General’s Audit report No. 33 of 2007-08 entitled The National Capital Authority's management of national assets: National Capital Authority.

Ordered that the report be made a parliamentary paper.

DOCUMENTS

Mr Albanese (Grayndler—Leader of the House) (4.24 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.

COMMITTEES

Infrastructure, Transport, Regional Development and Local Government Committee

Membership

Mr ALBANESE (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (4.24 pm)—I move:

That the Member for New England, Mr Windsor, be appointed to the Standing Committee on Infrastructure, Transport, Regional Development and Local Government as a supplementary member for the Committee’s inquiry into the funding of regional programs.

Yesterday morning the Standing Committee on Infrastructure, Transport, Regional Development and Local Government determined to have an inquiry into regional development—an inquiry into the way the Regional Partnerships program has worked in the past and an inquiry into the future of the program. We think that it is appropriate, given the approach from the member for New England to participate in this inquiry, that another non-government member be appointed to the committee for the duration of this inquiry. The Rudd government has established a new direction for regional development. We have indicated that we will be establishing the Regional and Local Community Infrastructure program to fund local community infrastructure. We are committed to consulting widely in the development of the new program to ensure that the mismanagement of previous programs does not occur. We want to get this right. The committee will obtain advice and hold meetings around the country so that people have an opportunity to go through some of the historical records as well as advance their view on what future structures there should be to ensure that the taxpayer’s dollar is treated as the precious resource it is. The member for New England, whom we do not agree with on a range of issues, is without doubt a man of integrity. There is no doubt that he has made a substantial contribution to regional Australia both in state parliament and now in the federal parliament. We believe that he will make a positive contribution to this inquiry, which will be ably chaired by the member for Ballarat, with the member for Hinkler as deputy chair.

The government has stated that it will not be proceeding with the Regional Partnerships program on the basis that the Australian National Audit Office has indicated that the program had fallen short of an acceptable standard of administration. We have taken appropriate action to look at the way that the program was run. The real story is perhaps even worse than that which the Audit Office outlined. For instance, in the week leading up to the 2007 election being called—which is after the Audit Office inquiry had taken place—some 32 projects were approved, 28 of which were in coalition held electorates. In our view, the Regional Partnerships program was run so badly that it was beyond repair. Infrastructure development not only involves action on larger scale projects like ports and roads that we have provided for with the Building Australia Fund but also depends on smaller projects that improve the quality of life in these local communities. That is why we have asked the House of Representatives committee to inquire into the matter. I got together the Regional Development Australia network executive, along with the Parliamentary Secretary for Regional Development and Northern Australia, the member for Brand, and we had a very good discussion. The network is also undertaking consultations around the country on the way to establish a regional program with
integrity and one that will deliver funds based upon needs and objective criteria, not one based upon political criteria.

Recently we saw a number of media reports on further problems with the Regional Partnerships program, in which the member for New England has had a particular interest. For example, $1.1 million has been paid for a Gunnedah ethanol plant over the last four years. We know that the plant does not exist; it was never built. We now see reports where there would appear to be a conflict of interest in the way that the grant was allocated. It has been alleged that the state member for Barwon, Kevin Humphries, who recommended the grant before he was elected, later went into business with the proponent.

I have also seen reports that the proponent, Mr Matthew Kelley, has offered to return the funds to the government. My department has written to Mr Kelley because we believe that is indeed an appropriate course of action. We have told him where the cheque can be sent and we look forward to the return of taxpayer funds. We also look forward to taking whatever action is necessary, whatever action we can, to get a return of funds that have been allocated in a way which is simply inappropriate. Legal advice has been sought on these issues. These sorts of examples need to have a light shone on them so that they never occur again.

We also need to make sure with the new regional and local community infrastructure fund that we establish integrity in the system. I have every confidence that not just the member for Ballarat but also the member for Hinkler will make a very constructive contribution to future programs in regional Australia. I think the member for New England will do that as well.

In conclusion, I seek leave to table the article from the Sydney Morning Herald of 20 April 2008 titled ‘MP’s link to missing $1 million grant’ and the article from the Sun Herald of 27 April titled, ‘Kelley says he’ll refund $1.1 million plant grant’ for the benefit of members in the House.

Leave granted.

Mr ALBANESE—I commend the motion to the House and expect that everyone in this House who is concerned about the independent process of these grants would also support the appointment of an Independent member of this parliament to the committee looking at the structure of these grants, as well as looking at recent history and the way that these funds have been administered so that the mistakes of the past will not ever be repeated again.

Mr SOMLYAY (Fairfax) (4.32 pm)—The opposition does not oppose the government’s appointment of the member for New England as a supplementary member of the House of Representatives Standing Committee on Infrastructure, Transport, Regional Development and Local Government as moved by the minister. However, I move the following amendment:

That the following words be added at the end of the motion: “and that the Member for O’Connor, Mr Tuckey, also be appointed as a supplementary Member of the Committee for the inquiry and that the provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders”.

There is no precedent for the government to appoint a non-government member to a House of Representatives standing committee as a supplementary member under standing order 215(d). My amendment therefore is to secure the appointment of the member for O’Connor as a supplementary member of the House committee for the duration of the proposed inquiry.

It is convention for the government to appoint government members and for the Op-
position Whip to nominate to the Speaker non-government members. The member for O’Connor should be appointed to the committee as the non-government supplementary member of this committee as it is clear from the minister’s motion that the member for New England is the effective nominee of the Rudd government. Further, the member for O’Connor, as we all know, is highly qualified and has impeccable credentials to be appointed to this committee for the inquiry into Regional Partnerships. The member for O’Connor was the Minister for Regional Services, Territories and Local Government in the Howard government at the time the Regional Partnerships program was expanded to include applications from the private sector.

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

Mrs Hull—I second the motion and reserve my right to speak.

Mr TRUSS (Wide Bay—Leader of the Nationals) (4.34 pm)—I speak in support of the opposition’s amendment to add the member for O’Connor to this committee. The government has chosen to make an additional nomination. That clearly alters the balance on the committee and it is therefore appropriate that the balance should be retained by having an additional opposition member on the committee. When the minister made his opening remarks on why this particular committee needed to be established and why it was necessary to add the member for New England, he made a number of criticisms of the previous Regional Partnerships program. He is going to have what will be about the 10th or 12th inquiry into this particular program. He is going to do it all again and again. However, that would all seem to be somewhat useless in view of the fact that, in the budget, the Labor Party abolished the scheme altogether. They abolished the program. So we are going to have an inquiry into a program that does not even exist.

One hundred and sixteen projects which had been through the full assessment process, examined by the department and recommended and announced by the government were axed in the budget. Amongst the projects that were axed was a grant of some $550,000 to the Royal Flying Doctor Service in Dubbo. The flying doctor is celebrating its 80th anniversary today. This is a very important day for the Flying Doctor Service, a service that for such a long period of time has provided a mantle of safety to people who live outside the capital cities. We should all join in celebrating with the Flying Doctor Service the tremendous contribution that it has made to safety in regional Australia over a long period of time.

I know the Minister for Infrastructure, Transport, Regional Development and Local Government, who lives in Sydney, does not have much concern for the people who do not have a doctor on call whenever they need one, cannot go to a hospital and do not have a plethora of services available whenever their child might be sick. Although, since he lives in New South Wales, the services probably would not turn up for him anyhow. The reality is that people in country areas have depended upon the Flying Doctor Service for 80 years. Labor’s birthday gift to the Flying Doctor Service is to abolish a $550,000 grant to extend the flying doctor services at Dubbo. Those services were going to be funded under the Regional Partnerships program. Labor has axed that project.

Let me ask: who decided that a dead tree at Barcaldine is more important than expanding the services of the flying doctor at Dubbo? No-one. There was no proper departmental assessment. Labor just announced it during the election campaign. They are
going to fund a memorial at Barcaldine in preference to the flying doctor at Dubbo. Who decided that a footpath to a dead tree in Barcaldine is more important than a childcare centre at Yarram? Labor have abolished the funding for the childcare centre at Yarram. Who decided that a car park near a Labor owned hotel in Barcaldine is more important to fund than a surf rescue boat at Bunbury?

And who decided that replacing the sprung dance floor at Albert Hall in Canberra is more important than building a mental health unit at Tamworth? Labor made those decisions, without any scrutiny, without any public inquiries, without any Audit Office examinations. They are funding the re-springing of a dance floor in Canberra rather than helping the Flying Doctor Service. That is Labor’s priority. If you are looking at how important the dance floor at the Albert Hall is, even the Vice-President of Friends of the Albert Hall, Dr Lenore Coltheart, said, ‘The Albert Hall still has the best dance floor in Canberra, but it’s not as well sprung as it once was.’ So having the Albert Hall dance floor as well sprung as it once was is more important than looking after the flying doctor and more important than the regional performance centre in Broken Hill. All of these projects, some of which had actually been supported by Labor branches, Labor members and Labor candidates at the last election, are to go.

We are going to fund a new streetscape at Ipswich, in a marginal electorate that the Labor Party was interested in winning. But why should we fund a streetscape for Ipswich? What is wrong with the towns in my electorate? You are not funding any of those, but you have chosen one in a marginal Labor electorate. Why have you targeted that? Why have you decided to spend so much money on the dead Tree of Knowledge in Barcaldine? It is because this particular project happens to be in the marginal electorate of Flynn.

We have the hypocrisy of government members, time and time again, being critical of the Regional Partnerships program because, they said, there was more money spent in government electorates than non-government electorates. But what have they done? They have invented a scheme of their own which is not subject to any scrutiny and where there was no application process. Labor just announced it and all those projects are being funded in this week’s budget, where others are not. The ones that have been properly assessed, that have been examined by the area consultative committees and that have gone through a competitive process—all 116 of them—are getting nothing.

Instead, Labor are inventing slush funds for their own projects. And now they are going to expand this to an even grander scale, with $41 billion worth of slush funds created in this budget. The new Building Australia Fund has been allocated $20 billion for the next couple of years, but, ironically, nothing is going to be spent over the next few years. They are going to spend some time planning, and then after the planning they are going to have Infrastructure Australia decide which projects will be funded. Infrastructure Australia will no doubt be staffed well and truly by Labor Party mates. When are we going to get some announcements about how this money is going to be spent? Lo and behold, about six to nine months before the next election. So Labor has a $20 billion construction slush fund, run by Sussex Street, that is going to announce the projects that will be funded.

In the meantime, Australians are going to continue to die on roads that could be constructed now. They could be moving the bulldozers onto the F3 to Branxton Road in the Hunter Valley now. The member for
Hunter, the Minister for Defence, was strongly supportive of this $870 million project before the election, but after the election he forgot all about it. ‘No, well, maybe we won’t do it after all.’ And what have the people of Newcastle got as a result of this budget? Not the $870 million that the coalition had committed to build this vital road link but $800,000 for another study of the road needs of the Hunter—$800,000! Do you know, Madam Deputy Speaker, that this will be the 28th study into the transport needs of the Hunter? What was wrong with the other 27, many of which had been done by the state Labor governments? But we have to have a 28th. We cannot get in there with a bulldozer and actually build something. We have to have another study.

Labor also objected to our proposals to build a $2 billion bypass around Goodna, in the areas around Brisbane. I see some Brisbane members present in the chamber. They objected to that and instead said they would widen the existing road, a project which is not recommended by anybody with any sound judgement. It will disrupt traffic for years and, once it is completed, it will have to be extended. But is there money in this budget to build the project that Labor said was so important that it had to be built immediately? No, there is not. How much would you expect in Labor’s first budget to build this $1 billion to $2 billion project—maybe $200 million or $300 million? What have they put up? A miserable $5 million for planning—nothing to actually do any building. That is the story across the line. If you look at the Department of Infrastructure, Transport, Regional Development and Local Government’s glossy brochures from this budget, you will see one or two actual construction projects, nearly all of which are underway, and then four or five commitments for planning—for design work.

Why aren’t we actually building roads? Many of them are ready to go. They have all been put on hold. Labor is putting them all in the cupboard until just before the election. Lo and behold, the government will say, ‘We have inflation under control, we have the budget balanced and so now we can go out and spend this money.’ Of course, most of the money was put there by Peter Costello and the previous government. What we have in this budget is Peter Costello’s surplus and Wayne Swan’s taxes. All this is going to go—the money that we have saved from a good economy over the years is now going to be saved up as a slush fund for the next election.

In addition, these things are not all they seem to be. We certainly need the member for O’Connor to be a part of this committee so that he can bring some rigor to these sorts of discussions and make sure that there is a fair and reasonable balance in the discussions that are going to be undertaken. I am sure that the member for O’Connor will be particularly interested in the Albert Hall dance floor. He will probably want to go and visit Barcaldine to have a look at this dead tree to see why it is important for there to be a memorial there, why there needs to be a footpath and why there needs to be a car park near the Globe Hotel, which happens to be owned by the president of the ALP branch in Barcaldine. I am sure the member for O’Connor would like to know what role the president of the ALP branch in Barcaldine played in deciding to put $2½ million into a car park right near his hotel—a hotel that he has owned and been wanting to sell for quite some time.

This is the kind of honesty that Labor is trying to tell us that they are going to bring to the Regional Partnerships program. I hope they have a nice time jigging around on the Albert Hall dance floor after their parties because this is being paid for by the people...
who are going to be denied a service from the Royal Flying Doctor Service in Dubbo. It is going to be paid for by the people who will not have a rescue boat in Bunbury and the children who cannot go to a childcare centre at Yarram. Those are the sorts of projects Labor did not want to fund. Those are the sorts of projects they want to have an inquiry into. Yet, what is going to happen to the $174 million in this year’s budget to pay for Labor’s election frauds and bribes?

The sorts of projects that they have created never went through any scrutiny but are now going to be funded while 116 applicants went through the proper process and often got matching funding from state governments. Many of them got letters of support from members opposite, and many of them were supported by senators and Labor Party identities. Ask the Broken Hill unions what they think about the decision that has been made in relation to the important project at Broken Hill. Some of these projects had support from Labor identities. They are all being axed so that the member for Oxley can get something for Ipswich.

Mr Albanese—Madam Deputy Speaker, I rise on a point of order. I understand that the member for O’Connor is not the best friend of the Leader of the National Party, but that is what the motion is about. He has to say why there should be two extra opposition members because we know that Independent members count, in terms of committees, with the opposition in the House of Representatives. That is the process. He has to indicate why he supports rotting the system so that—

The DEPUTY SPEAKER (Ms AE Burke)—The Leader of the House has made his point of order. He will resume his seat. I call the Leader of the Nationals and I ask him to return to the motion before the House.

Mr TRUSS—I was speaking precisely on why we needed the member for O’Connor to be on this committee. The government has nominated an additional appointee. He is their appointee. He will no doubt be very friendly to their views on these sorts of issues. If you do not want the balance on this committee distorted against the spirit of the way in which parliamentary committees are established—where a voice is given to both opposition and government representatives fairly—then we need to have an additional opposition nomination to make up for the additional government nomination that is before us at the present time. Fairness, justice and equity says that the member for O’Connor should be on this committee.

(Time expired)

Mr GRAY (Brand—Parliamentary Secretary for Regional Development and Northern Australia) (4.49 pm)—This is a debate about
balance on the committee. It is a debate about the integrity of the committee. It is a debate where the government is quite prepared to allow for an additional opposition member. It is a debate where the government is allowed to put integrity first, unlike those opposite who are only prepared to sit here in defence of the disgraceful. The very first correspondence I got when I was elected to this place was three volumes of the Audit Office’s report into your Regional Partnerships program. We have had extensive debate in this place—

Mrs Bronwyn Bishop—Madam Deputy Speaker, I rise in a point of order. I listened to the words of the Parliamentary Secretary for Regional Development and Northern Australia, who conceded that he was happy for an opposition member to be appointed. Is he saying that he is agreeing with the amendment?

The DEPUTY SPEAKER (Ms AE Burke)—That is not a point of order.

Mr Gray—I would like to make one point—that is, not much nice was said about the member for O’Connor at all. Let me say this in front of this House: I am related to Wilson Tuckey. I can say nice things about a person to whom I am related—it has to be said it is through marriage, but I am related to Wilson.

Mr Truss—Madam Deputy Speaker, I rise on a point of order. As the parliamentary secretary has declared his pecuniary interest in this matter, he should disqualify himself from the debate. He should be heard no further. He has indicated clearly he has a pecuniary interest and therefore he should not participate in the debate.

The DEPUTY SPEAKER (Dr MJ Washer)—That is not a point of order.

Mr Gray—I am prepared to see the good side of Wilson, unlike those in the National Party. He knows about wheat market- ing, unlike the Leader of the National Party. What we are looking to do here is restore integrity to the process of government grants that support local communities. We have already described the regional infrastructure program that we wish to put in place, and for which we wish the best possible set of guidelines and protocols for its operation. We want to seek the best advice for doing that. Trial and error learning has never been a strong point of those opposite. Trial and error learning is a fundamental achievement of the human race. Trial and error learning is what it is about in getting things right. What we want to do through the regional infrastructure programs that we will put in place is have the best possible balance. The reason why those opposite oppose the appointment of the member for New England, a person who has a wonderful set of experience in two jurisdictions, is frankly that he has clearly expressed his concerns—

Mrs Hull—Mr Deputy Speaker Washer, I rise on a point of order. There has been no opposition to the member for New England being appointed to the committee. I would ask that that comment be withdrawn.

Mr Gray—What we are attempting to do here is get the best possible talent pool into this committee. Why we are doing that is to ensure that our program—

Mrs Hull—Mr Deputy Speaker, I rise on a point of order. There has been no opposition to the appointment by the government of the member for New England to this committee. I would ask the parliamentary secretary to withdraw the comment that he made that there was opposition.

The DEPUTY SPEAKER—I note the point of order. Parliamentary Secretary, if you could accommodate us.

Mr Gray—The amendment is opposition, but I withdraw. The substantial point is about ensuring that we have the best quality
advice being given to our committee. The point which those opposite have refused to accept from day 1 is that there has been maladministration, political bias, and shocking and appalling administration underpinning the Regional Partnerships program. The Leader of the National Party has repeatedly mentioned Regional Partnership programs, which have been axed by—

Mrs Bronwyn Bishop—Mr Deputy Speaker, I rise on a point of order. The parliamentary secretary is not addressing the substance of the motion. The motion is quite clear; it is about adding an opposition member to the committee. The intent is not being discussed. I ask you to bring him back to the substance of the motion.

Mr GRAY—The substance of the motion is to ensure that the parliamentary inquiry is as good as it can be. I conclude my comments on that remark.

Question put:

That the amendment (Mr Somlyay’s) be agreed to.

The House divided. [5.00 pm]
(The Deputy Speaker—Dr MJ Washer)

Ayes..........  60
Noes..........  74

Majority....... 14

AYES

Abbott, A.J.
Bailey, F.E.
Billson, B.F.
Bishop, J.J.
Ciobo, S.M.
Costello, P.H.
Downer, A.J.G.
Farmer, P.F.
Gash, J.
Haase, B.W.
Hawke, A.
Hull, K.E.*
Irion, S.J.
Johnson, M.A.*
Laming, A.
Lindsay, P.J.
Marino, N.B.
May, M.A.
Morrison, S.J.
Pearce, C.J.
Ramsey, R.
Robert, S.R.
Schultz, A.
Secker, P.D.
Sliper, P.N.
Somlyay, A.M.
Stone, S.N.
Tuckey, C.W.
Vaile, M.A.J.
Wood, J.

NOES

Albanese, A.N.
Bidgood, J.
Bowen, C.
Burke, A.E.
Butler, M.C.
Champion, N.
Clare, J.D.
Combet, G.
D’Ath, Y.M.
Debus, B.
Elliot, J.
Ellis, K.
Ferguson, L.D.T.
Fitzgibbon, J.A.
Georganas, S.
Gibbons, S.W.
Grierson, S.J.
Hall, J.G.*
Irwin, J.
Kelly, M.J.
King, C.F.
Macklin, J.L.
McClendon, R.B.
McMullan, R.F.
Murphy, J.
O’Connor, B.P.
Parke, M.
Price, L.R.S.
Rea, K.M.
Rishworth, A.L.
Saffin, J.A.
Smith, S.F.
Sullivan, J.
Symon, M.
Ley, S.P.
Macfarlane, I.E.
Markus, L.E.
Mirabella, S.
Moylan, J.E.
Pyne, C.
Randall, D.J.
Ruddock, P.M.
Scott, B.C.
Simpkins, L.
Smith, A.D.H.
Southcott, A.J.
Truss, W.E.
Turnbull, M.
Vale, D.S.

AYES

Abbott, A.J.
Andrews, K.J.
Baldwin, R.C.
Bishop, B.K.
Broadbent, R.
Cobb, J.K.
Coulton, M.
Dutton, P.C.
Forrest, J.A.
Georgiou, P.
Hartsuyker, L.
Hawker, D.P.M.
Hunt, G.A.
Jensen, D.
Keenan, M.

NOES

Bevis, A.R.
Bird, S.
Bradbury, D.J.
Burke, A.S.
Byrne, A.M.
Cheeseman, D.L.
Collins, J.M.
Crean, S.F.
Danby, M.
Dreyfus, M.A.
Ellis, A.L.
Emerson, C.A.
Ferguson, M.J.
Garrett, P.
Gray, G.
Hale, D.F.
Hayes, C.P.*
Jackson, S.M.
Kerr, D.J.C.
Kirby, R.F.
Livermore, R.F.
McKew, M.
Melham, D.
Neumann, S.K.
Owens, J.
Perrett, G.D.
Raguse, B.B.
Ripoll, B.F.
Roxon, N.L.
Sidebottom, S.
Snowdon, W.E.
Swan, W.M.
Tanner, L.
Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (5.07 pm)—by leave—

Carers perform a vital role in our community caring for people with disabilities, the frail, the elderly and the infirm. They do a selfless job which often prevents them from participating in the economic life of our nation. As a result many survive on low incomes and bear significant personal and financial costs and isolation from their local community.

The government values the role and contribution of carers, who make enormous personal sacrifices through their selflessness and hard work.

Our senior Australians, through a lifetime of effort, have laid the foundations of the prosperous nation we all have the privilege of calling home. For some, work over a lifetime has been matched by superannuation savings and this will improve as our superannuation guarantee matures. But today many older Australians do not have these savings and survive on modest pension income.

Many age pensioners are struggling to get by on the base pension rate, particularly single women who have worked hard all their lives and raised families but have little or no superannuation. As the cost of living rises, they are finding it harder to make ends meet. This is particularly so if they are renting their home. We recognise that rising food and petrol prices and the cost of heating and other utilities can determine whether Australians are able to live in comfort and dignity and remain active in their communities.

The recent practice of paying one-off bonuses to carers and seniors when the budget allows, though better than nothing, has created uncertainty for both groups. The former government’s repeated practice of not providing for these payments in the forward estimates—including those to be paid by the new government before the end of June this year—left carers and seniors with no financial security. This government is committed to developing a reliable, long-term system to support our carers and seniors, not perpetuating the short-term quick-fix ways of the past.

In the interim we are paying seniors and carers a bonus valued at $1.8 billion.

There are also differing views about how assistance to seniors and carers is paid, and whether current arrangements are the best for the future. We have paid the bonuses this year to give our carers and seniors assistance while we work with them to answer these questions. In recognition of the role of carers and seniors and given the cost pressures they face, in March the Prime Minister committed the government to examine ways to deliver increased financial security to them in the longer term. This commitment was reinforced by the findings of the Senate inquiry into the cost of living pressures on older Australians. Last year, when in opposition, we initiated this Senate inquiry into the cost of living pressures on older Australians because we understood that seniors were doing it tough.

During the last decade, the needs of age pensioners certainly have been neglected. It was Labor that first made, and delivered on, pledges to link the pension to a proportion of average weekly earnings. Over the last decade, community calls for better levels of support, particularly for those who rely on...
the age pension as their sole source of income, were ignored.

Since the election, the new Labor government has begun to address these concerns. The first piece of legislation I introduced into this parliament as a minister was a bill to increase the utilities allowance from $107.20 to $500 a year and to increase by half the telephone allowance for those with the internet on at home. The first instalment of these higher payments was made in March this year, another is due in June. It will be paid again in September, then again in December, then next year and on into the future. For the first time, the utilities allowance has been extended to 130,000 carer payment recipients in recognition of the costs that they face.

Importantly we have locked these changes into the forward budget estimates. Together with the $500 bonus, the increase in the utilities allowance and the telephone allowance will ensure that a single age pensioner receives a seven per cent increase on their pension income. Our plans for national transport concessions are underway, and we are developing a new indexation formula for the age pension that better reflects the spending patterns of pensioners. The budget also announced new measures to improve dental care for older Australians and to increase the supply of aged-care beds. More affordable rental dwellings will also be built.

But we know more needs to be done. We know that the basic structure of the retirement income system needs urgent attention. The Combined Pensioners and Superannuants Association told the recent Senate inquiry that seniors:

… who in good economic times, are thrown the odd one-off payment, are entitled to a fair go and additional structural financial support from the Government to assure a modest standard of living.

The first three recommendations from the Senate inquiry which reported in March called for the government to review:

- the suitability of base pension levels;
- pension, Commonwealth superannuation and military pension indexation rates;
- the financial disadvantage of single older women;
- incentives and initiatives related to superannuation savings, especially for older people in vulnerable groups; and
- indirect benefits and concessions paid to older Australians.

The committee specifically recommended:

In particular this review should consider measures that will ensure a reasonable standard of living for older people, especially women, those on below average incomes, those who have lived with long-term chronic illnesses and those whose earning capacity has been greatly limited by their caring responsibilities.

For a decade there has been little attention paid to these issues.

More than two million Australians receive the age pension, which is the single largest individual item of Commonwealth expenditure. The age pension sits at the core of Australia’s social security system. Myriad rates, thresholds, rules and incentives, all with complex interactions, rest on its foundations.

I understand that many feel frustrated that our first budget did not fix all of these concerns. Finally given a voice by our Senate inquiry, millions expect reform. Six months into our first term we are addressing 11 years of coalition neglect. This government is committed to long-term—not short-term—solutions. That is why today I can announce that the government is listening and responding to the issues raised by seniors and carers.

We are committed to building a modern social security system for a modern Australia. Key to this is acting on the need to pro-
vide greater financial security to seniors and carers. Because assistance to carers and seniors are part of a complex social security environment, they require careful consideration.

The interaction of working age income support payments such as carer payments with the taxation system result in lost benefits where individuals attempt to balance care for relative or friend and some paid work. Carers Australia, in their prebudget submission, highlighted the financial uncertainty carers face and the limits their role as carers places on securing their financial future. There are complex relationships between the taxation and superannuation systems, pension payments and for carers.

The government’s commitment to introduce an emissions trading scheme by 2010 also raises questions about how individuals on low incomes such as carers and seniors might be compensated for higher energy costs. These are substantial reform challenges. To provide genuine and sustainable long-term financial security for seniors and carers, these issues will be addressed as a central element of the inquiry into Australia’s Future Tax System announced by the Treasurer in Tuesday night’s budget. The terms of reference of this inquiry include consideration of improvements to the tax and transfer payment system for individuals and working families, including those for retirees.

The Future Tax System review will also take into account the relationships of the tax system with the transfer payments and other social support payments, rules and concessions with a view to improving incentives to work, reducing complexity and maintaining cohesion. The terms of reference of the inquiry also provide for the chair, Dr Ken Henry, to task members of the review panel to oversee programs of work related to their field of expertise. I am pleased to announce that as part of the review Dr Henry has agreed that Dr Jeff Harmer, the head of the Department of Families, Housing, Community Services and Indigenous Affairs, who is also a panel member, will complete an investigation into measures that might be adopted to strengthen the financial security of carers and seniors.

Dr Harmer will report to the Treasurer and I through the chair of the panel by no later than 28 February 2009 on:

- the appropriate levels of income support and allowances, including the base rate of the pension, with reference to the stated purpose of the payment;
- the frequency of payments, including the efficacy of lump sum versus on going support; and
- the structure and payment, concessions or other entitlements that would improve the financial circumstances and security of carers and older Australians.

To support this important work, the Treasurer and I have asked Dr Harmer to convene a reference group of representatives from carer and seniors groups to ensure his work reflects the views and aspirations of those who will benefit from any reforms resulting from this inquiry.

This announcement is a major step forward in moving on from the short-termism of the past, and will provide carers and seniors with genuine financial security and certainty.

I seek leave to move a motion in relation to the debate.

Leave granted.

Ms MACKLIN—I move:

That so much of the standing and sessional orders be suspended as would prevent the member for Warringah speaking for a period not exceeding 12 minutes.

Question agreed to.
Mr ABBOTT (Warringah) (5.20 pm)—I would be the last person to impugn the decency and the compassion of the Minister for Families, Housing, Community Services and Indigenous Affairs, who has just spoken. I am sure she brings to her serious responsibilities a great deal of commitment. But the ministerial statement that she has just given to the House on seniors and carers was seriously lacking because it did not tell us anything that we did not already know. Certainly, it did not give the seniors and carers of Australia any certainty or security that they did not already have. All the minister did today was tell us that there would be yet another inquiry. I recall the first budget speech that was read in this House back in 1908. That prompted Billy Hughes, no less, to say that there were only three things wrong with the Treasurer’s budget speech: first, it was read; second, it was read badly; and, third, it was not worth reading. The last thing I want to do is cast nasty criticisms in the direction of the minister, but I was rather reminded of Billy Hughes’s statement as I listened.

What we have seen from this government is a further refinement of news management techniques. Over the few weeks that this parliament has sat this year, we have seen an abundance of very insubstantial ministerial statements—because, I suspect, they delay the matter of public importance debate, when ministers fear they might hear something that the government would rather were not said. Certainly, the statement that we have just heard was bureaucratic, it was unnecessary and, as I said, it did not really achieve its purpose. But what it did indicate was that this government knows it has a problem with seniors and carers. And I have to say the government is right to think that it has a problem with seniors and carers.

Why wouldn’t it have a problem with seniors and carers? Everything that this government says and does it is couched in rhetoric which seniors and carers find intrinsically unsettling, even offensive. Everything that this government does is supposed to be for ‘working families’, and, every time they mention that phrase, seniors and carers feel that they are being marginalised; they feel that they are dealing with a government that is not interested in them. So why wouldn’t seniors and carers feel unhappy with this government? Why wouldn’t they gravely mistrust this government, when we learnt earlier this year, during the phase when the government was looking for deep cuts to the budget, that the deep cuts were to be made precisely by not giving the seniors and carers of this country the bonus payments that they had come to expect under the Howard government?

Now, I know the minister does not like me referring to this, but I feel—

Ms Macklin—That’s not true.

Mr ABBOTT—If you want to accuse the Sydney Morning Herald of lying to the public, I think you are on a very sticky wicket. Let me give the minister an opportunity to make a personal representation, if she wishes, after I read from the Sydney Morning Herald of Friday, 7 March:

The Federal Government faces criticism from carer groups after it decided not to match a $1600 bonus payment made to carers by the Howard government in recent years. A spokeswoman for the Minister for Families, Jenny Macklin, confirmed the decision last night, saying it was part of the Government’s plan to cut spending.

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It was something the government planned.

Ms Macklin—Mr Deputy Speaker, on a point of order. As the member for Warringah has invited me to make a personal explanation, I will! That statement is completely false, and the report also was completely false.

CHAMBER
Mr ABBOTT—Plainly, the government did intend to cut these bonuses. Plainly, if there had been no such intention, the minister would have been out on that Friday morning issuing a blanket denial, but that is not what we got from the government. We got three days of weasel words, and even the following Monday, in the parliament, the Prime Minister could not bring himself to utter the simple declaration that ‘the bonuses are safe with this government’, because they might be safe this year, thanks to the efforts of the opposition, but they certainly are not safe for future years, because we had the minister in her statement criticise the very thing which this government has just done. She said that paying annual bonuses left carers and seniors with no financial security. I say there is a lot more financial security from an annual bonus that you know will be paid in good times than there is in the uncertainty and insecurity which is inherent in the kind of review that this minister is now spruiking. The carers and seniors of this country had more security under the Howard government than they ever had before and—I am confident although disappointed to say—that they will ever have in the future.

The minister went on to say, ‘We have paid the bonuses this year to give our carers and seniors assistance while we work with them to answer these questions.’ Carers bonuses have been paid now for four years; this is the fifth year that a carers and seniors bonus has been paid. If paying these bonuses was such a bad idea, why didn’t members opposite work out an alternative method of helping carers and seniors sometime before the election? Why didn’t they do a bit of thinking in those four years before the election? Why expose carers and seniors to the uncertainty of the pre-budget process and now to the uncertainty of this review? I put it to members opposite: basically, you can do two things—you can build substantial increases into ongoing payments, with all of the issues that that has for responsible economic management, or, economic circumstances permitting, you can pay generous bonuses. That is the basic choice you have got. It has always been thus. If there was something wrong with what the government was doing prior to the election, why didn’t they tell us then and why didn’t they tell us what their alternative was? They should not need yet another inquiry to give us the answers to these questions.

In the course of the minister’s statement, we had repeated what is now becoming a mantra for government ministers—that is, ‘We are addressing 11 years of coalition neglect.’ Things were so terrible under the Howard government that we increased employment by 2.2 million new jobs, we increased real wages by 21 per cent and we doubled the real net wealth per head of every person in this country, on average. That is how bad things were! Things were so terrible under the Howard government that we paid carers and seniors bonuses that were never paid before and we increased pensions to 25 per cent of average weekly earnings—that had never been put into legislation before. That is how bad things were under the Howard government!

Let us look at the actual results. According to the independent and authoritative National Centre for Economic Modelling at the University of Canberra, between 1996 and 2005 the real disposable income of the poorest 20 per cent in our society—the carers, the pensioners and the seniors—increased by 25 per cent. There was a 25 per cent real increase in the effective income of carers and pensioners. That is what the Howard government delivered and, because members opposite in the next breath will say, ‘Yes, but the rich did
even better.’ I should point out that the top 20 per cent in terms of wealth in our society under the same NATSEM study had their real disposable income increased by just 19 per cent. So under the Howard government, sure, the rich got richer but the poor got richer by an even bigger percentage, which is probably the most outstanding result that any government could ever hope to deliver.

What does the future hold for the carers and the seniors of this country under the review which the minister has just reiterated today? I have a great deal of respect for the Secretary of the Treasury, Dr Ken Henry, but I am quite confident that the person who was pushing hardest for the slashing of these carers’ and seniors’ bonuses would have been Dr Ken Henry himself. I say to the pensioners and carers of this country: you cannot be confident of the result you want in a review that is chaired by the self-same person who was leading the push to see your bonuses scrapped this year. That is what they are facing, and I regret to say to them that they cannot trust this review and they cannot trust this government. What they can trust is the record of the coalition. We do not just talk; we deliver. When we were in government we consistently delivered a better standard of living to the carers and pensioners of this great country of ours, and that is what we will do next time we have a chance to occupy the Treasury bench.

World Intellectual Property Organisation:
Nomination of New Director-General

Mr CREAN (Hotham—Minister for Trade) (5.32 pm—by leave—This ministerial statement relates to the nomination of a new Director-General of the World Intellectual Property Organisation. The Rudd Labor government places a high priority on engaging with the United Nations system and pursuing a multilateral approach to addressing the many challenges confronting the international community. Labor governments have always understood the importance of engaging constructively with the global community to work together in the pursuit of a more stable, secure and prosperous world. It was, after all, the Curtin Labor government that worked so hard to ensure that Australia was a founding member of the United Nations in 1945, and Australia therefore had the opportunity to influence the shape of the post World War II order. Since that time, successive Australian Labor governments have always recognised that the United Nations provides us with a means to influence events which go directly to our interests but which we are not be able to pursue by working in isolation. It is for these reasons that Australia has been well served by the UN’s contribution to helping shape the world order. And it is for these reasons that Australia is seeking a non-permanent seat on the UN Security Council for the 2013-14 term.

Australia’s renewed commitment to and engagement with the UN is paralleled by our renewed commitment to and engagement with the multilateral system of trade negotiations via the World Trade Organisation. As I have said in this House before, a successful outcome to the WTO Doha Round offers Australia the best opportunity for significantly improved export market access for Australian business with substantial flow-on benefits to our broader community. A good outcome to Doha also offers the world’s developing countries the prospect of a significant growth dividend which will assist in reducing poverty and raising living standards.

It is against this backdrop that I am pleased to announce that after careful deliberation the Coordination Committee of the World Intellectual Property Organisation, WIPO, earlier this week selected an Australian, Dr Francis Gurry, as the nominee for the position of Director-General of WIPO.
Dr Gurry was selected from a competitive international field of fourteen candidates. Dr Gurry’s nomination will be submitted to the General Assemblies of WIPO for final confirmation in September this year. The Australian government welcomes the support from WIPO member states across all regions for the nomination of Dr Gurry, currently a Deputy Director-General of WIPO and the most senior Australian in the United Nations system. The nomination of Dr Gurry for WIPO Director-General serves as a further demonstration of the new Australian government’s strong commitment to greater engagement with the United Nations system. It also reflects the importance the government places on building a strong, balanced and accessible international intellectual property system, as well as the importance it places on WIPO’s development mandate. Dr Gurry was a strong candidate with excellent credentials for the position. Earlier this year the Rudd government decided formally to nominate Dr Gurry and actively support his candidature. We understood the significance of the position and we appreciated the credentials he brought to this candidature.

Dr Gurry has outstanding qualifications for the position. He has over 20 years experience in WIPO across all major sectors of its mandate. He has a proven track record in leading and implementing major improvements to the international intellectual property system in the international sense. Dr Gurry’s vision for WIPO underlines that the two key roles of the organisation, first, as a service provider to the global economy and, second, as a UN agency with a development mandate, are compatible and complementary.

The government was able to support Dr Gurry’s candidature with a strong political and diplomatic campaign, and we are therefore very pleased with this result. Once confirmed, Dr Gurry will be the third Australian who has served as head of a United Nations agency, after James Ingram, Executive Director of the World Food Program from 1982 to 1992, and Richard E. Butler, Secretary-General of the International Telecommunications Union from 1983 to 1989.

WIPO is a specialised agency of the United Nations. It is dedicated to developing a balanced and accessible international intellectual property system which rewards creativity, stimulates innovation while safeguarding the public interest, and contributes to economic development. WIPO recognises that intellectual property is an important tool for the economic, social and cultural development of all countries, including developing countries.

WIPO is responsible for promoting the progressive development and harmonisation of intellectual property legislation, standards and procedures among the member states. It delivers important global, intellectual property protection services. It encourages the use of intellectual property for economic development. It also plays a crucial role in promoting better understanding of intellectual property, and provides an important forum for debate on intellectual property issues.

Australia values greatly the work WIPO undertakes globally to support creativity, to stimulate innovation and to drive development. Australia has a comprehensive IP system and makes a strong contribution to both the policy and technical aspects of WIPO’s work. Intellectual property is, of course, crucial to the further development and growth of world trade.

I have spoken here before about the new and broader ‘twin pillars’ approach to trade policy to which this government is committed. What this means is that trade policy cannot be just concerned with reform at the border—the market access issues. As important as that is, it increasingly has to also be about
reform behind the border. There is no point in increasing market access if we are not competitive enough to take advantage of it. So, increasingly, it is the ‘second pillar’, or the ‘behind the border’ issues, that will dictate a country’s capacity to compete on the international stage.

Also, with the very fast growth of services and investment flows, trade is increasingly moving away from the traditional ‘produce and ship’ model. Investment, for example, is becoming important as a means for driving trade. Our exporters are increasingly becoming integrated into global supply chains. This, in turn, means that trade policy must increasingly focus on helping exporters in all of their international activities, whether they be trade or investment. So we need to be able to work in an integrated way to assist the internationalisation of Australian industry, developing and growing exporters as much as developing our exports. We announced in the budget earlier this week the reintegration of Invest Australia into Austrade for this very purpose, along with the Global Opportunities program.

Intellectual property is a crucially important part of the government’s ‘twin pillars’ agenda. Given the increasing role of services and investment flows, the international architecture of regulation in this area becomes increasingly important. Effective and transparent intellectual property laws are crucial to encouraging two-way investment flows. WIPO, as the key international agency dealing with intellectual property issues, has a vital role to play in this agenda. Effective leadership, therefore, of this organisation is critical. We are therefore very pleased with Dr Gurry’s nomination.

Consistent with our re-engagement at the multilateral level, we have pursued an increased level of activism on the ‘first pillar’ of the government’s trade agenda. The government’s top trade negotiating priority is securing a successful conclusion to the WTO Doha Round. The government have re-energised Australia’s role in multilateral trade negotiations in recent months. We have dealt ourselves back into the centre of efforts to conclude the Doha Round. This, too, has been a whole-of-government approach.

I participated in the Davos meeting of trade ministers in January this year. This meeting gave new political impetus to efforts to conclude the round. The Prime Minister reinforced this growing political will at leaders levels with his visits recently, particularly to Washington and to Brussels. All ministers are currently advocating and cajoling for this successful Doha outcome.

I am using every opportunity to urge countries to show political will and flexibility to conclude the round this year. I have been on the phone most days talking to other trade ministers from around the world, and I am encouraged at the political commitment that is evident to conclude the Doha Round deal this year. I am pleased to report that we are making progress. We now have in place the main elements of:

- a framework for dealing with ‘sensitive products’ in agriculture,
- a framework for reducing domestic support in agriculture,
- a framework for dealing with non-agricultural tariffs, and
- a framework—through the signalling exercise—for improving services market access.

What we do not have yet is a detailed framework on developing country market access—and it is incumbent on all WTO members to make progress on this issue urgently.

Revised negotiating texts on agriculture and industrial goods are expected within the
next few days in Geneva. If these texts can capture the level of convergence that has been achieved in recent weeks and months, they will give a boost to the prospects of concluding the round this year. I am urging my colleagues to engage as soon as possible, and I am pressing for ministers to meet in Geneva in June to discuss the outlines of a deal.

Labor has always understood the importance of achieving multilateral trade outcomes that are supported by regional trade liberalisation via APEC—'WTO plus'—and comprehensive FTAs—'WTO plus plus'.

In our view, the previous government squandered the opportunity provided by Australia’s unique position as chair of the Cairns Group to be front and centre of the Doha Round, allowing Australia to be squeezed out of the talks by other groupings.

These trade negotiations are difficult, particularly at the multilateral level, with so many players involved. But we are not going to make progress unless we are prepared to put in the hard yards. And it is the new Labor government that is prepared to do the hard work.

A successful outcome to Doha is important because world trade has grown three times as fast as world output. It is the world market that offers the greatest opportunities and which will sustain the Australian economy beyond the resources boom.

After each global trade round there has been a surge in world trade. That rate of growth has now slowed. A Doha outcome is needed to provide new impetus to world trade.

Labor is re-energising Australia’s commitment to the multilateral sphere as evidenced by both the developments I have reported on today. We are recalibrating the focus of trade policy, through a stepped-up level of activism at the World Trade Organisation. We are extremely pleased with the nomination of Dr Gurry to lead the World Intellectual Property Organisation. It is a great credit and recognition of Dr Gurry’s capacities, and I wish him well with the confirmation of his nomination later this year, and I look forward to working with him in his new role.

Mr Deputy Speaker, I seek leave to move a motion to enable the member for Mallee to speak for 15 minutes.

Leave granted.

Mr CREAN—I move:

That so much of the standing and sessional orders be suspended as would prevent Mr Forrest speaking for a period not exceeding 15 minutes.

Question agreed to.

Mr FORREST (Mallee) (5.47 pm)—I am grateful for an opportunity to join with the Minister for Trade to, on behalf of the opposition, congratulate Dr Francis Gurry on being selected by the Coordination Committee of the World Intellectual Property Organisation as the nominee for the position of director general. It is another good example of Australia punching above its weight in the international arena.

It is pleasing to see an Australian contributing in this international and important organisation. Australians have a proud history of playing a prominent role in the world community. Dr Gurry’s resume shows he has an extensive engagement with the international community—and the trade minister has made reference to that—extending back through the past two decades. I agree with the trade minister that Dr Gurry has excellent qualifications for his new position. I am sure his specialist knowledge in that role will be in this nation’s favour.

In his statement the Minister for Trade goes beyond commenting about Dr Gurry’s appointment, and I would like to make a few
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remarks to address some of the comments he has additionally made.

Australian exporters too have a significant contribution to make to the global market, despite what I see as the best efforts of this government to create, at the moment, enormous uncertainty for them. Coming from a constituency like Mallee, whose principal employment and whole engagement in life is related to export activity, I am quite qualified to make these comments.

The question has to be asked: just how serious is this new government when it comes to trade? Just how serious is this new government when it comes to supporting Australian exporting firms and providing them with a level of certainty to plan for their future and the future of their employees?

Just two days ago the Treasurer stood at the dispatch box and, seemingly without a twinge of empathy for exporters and investors, delivered a budget that slashed any hopes of securing much needed certainty for the sector. It is a budget that did absolutely nothing to dispel the fears of the traders and investors who have been subjected to chaos and confusion since this government came to office. We have a trade minister who seems to take a slightly different position every time I hear him speak. He seems to want to rewrite history. This nation has always punched above its weight in this sector. It is so important to this nation. And despite the colour of governments in the last 30 years there has always been an enormous activity and interest in this subject. It does not serve the minister well to attempt to rewrite history and describe the efforts of the immediate past government as not meeting the task. He has already described, in reference to the Doha Round, how difficult the situation is and he knows, as much as he is confident of outcomes, just how difficult it is going to be, filled with all the political uncertainties of an election in the United States—but I do wish him well, and I welcome that activity.

I am in this parliament because I remember what happened to my exporters in the mid-80s under a previous Labor government when they were subjected to the unravelling of their border protection—tariffs—without any assistance whatsoever to cope with achieving greater efficiencies. They are extremely impatient for reform in the multilateral area—extremely impatient. That is why the former government, in a two-pillar approach as the minister has described, was increasingly active in bilateral arrangements. I would like the minister to understand that there needs to be a parallel approach here because the exporters that I represent, and Mallee is so typical of much of rural Australia, are extremely impatient after decades of promises about trade liberalisation and the removal of those very unfair export subsidies they are required to compete with.

We have had a slight mish-mash of announcements from the new government—statements about trade policy, trade policy reviews, the EMDG scheme, Doha and free trade agreements. We have had calls for reviews and for reports, ad hoc statements, policy on the run and an ever-changing narrative on where this government stands on negotiating agreements. Aside from the trade minister’s contradictory remarks pertaining to, of all things, trade, one thing that strikes me about the member for Hotham is his unrelenting willingness to pass the buck on this issue and blame the previous government. The record shows it is different to that. He is now the government, he is now the minister and he is responsible for all the things he has committed to do in his statement here tonight. He should energise that progress but not leave behind those bilaterals as they are incredibly important to citrus growers and table grape growers. To completely abandon
that activity is not a very strong approach; it is a pillar approach.

Mr Crean—I am waiting for the evidence.

Mr FORREST—I am coming to the evidence. It is in the budget papers. So far the trade minister has proved to be too fragile to stand up to the government razor gang. He challenges me by interjection. He needs to protect the interests of those Australian exporting firms who, over the last two decades, have developed an export culture and saw enormous opportunities in Japan and China; yet the budget confirms that funding and resources allocation to those two needy, accessible markets, provided we can crash through the biosecurity arrangements, have now been abandoned.

Mr Crean—Tell us about pillars.

Mr FORREST—I know a lot about pillars. I am a civil engineer. Pillars are very important pieces of structural integrity and you can adorn them with esoteric decorations. You can have the Doric or the Corinthian at the base and at the apex. But pillars are absolutely useless without good, solid foundations; they would simply collapse. I want to see foundation. I use this opportunity to persuade the trade minister not to abandon the bilateral. He can energise the multilateral and pull off Doha if he can, but do not abandon those bilateral arrangements. They are extremely important, given the progress the former government made, particularly in China, Japan and even Korea. We now have citrus fruits going into China—a challenge the people said would never happen—and it has now revitalised the citrus industry.

We all know that this government does not care about seniors and carers—we saw that in response to the previous ministerial statement—but I confirm tonight that exporters have been disregarded as well in this budget. I would go so far as to say that they have been betrayed by a bandaid budget that has not looked at the bigger picture and the significance of trade to this nation. We are going to be subjected to a lengthy review process. The government has not been prepared in this budget to provide at least a temporary footing for Australian exporting businesses to operate, and we have to wait and wait—and we continue to wait. Australia has punched above its weight. For the trade minister to come in here and allege and attempt to rewrite history about the record of the former government’s activity reflects poorly on him.

I will give a few examples of the inconsistency of the new government on this subject. On free trade agreements in February, the trade minister announced that bilateral agreements were a low priority. More recently, in March, in this chamber he said they were back in the mix. I issued a public statement that said I was pleased to see that. In 2006 the now Prime Minister described the Doha Round of world trade talks as ‘dead as a dodo’. Earlier this year in Europe, as the Prime Minister, he then told the world he had changed his mind and Doha was now doable and the way forward. Of course, the message lasted only as long as the media conference and the flight to the next destination and then the focus was back on free trade agreements with China and India. By slashing staff numbers within the Department of Foreign Affairs and Trade, confirmed in the budget papers, this game of musical chairs continues. The Prime Minister has looked the leaders of the USA and Europe in the eye and told them he wants to engage with them, but he has proved just how shallow his words are by taking the axe to staff numbers in our international offices. To make things even worse is the fact that the government has been gunning to slash job numbers for ages.

Labor has been trumpeting its plan to fold Invest Australia into Austrade. Indeed, the
minister’s statement here tonight confirms that and shows a complete lack of understanding about Invest Australia’s role in generating increased investment and therefore jobs here in Australia. Over the five years to June 2007, Invest Australia played a very important and significant role in attracting and facilitating 387 projects to Australia. These projects were valued at $56 billion with the potential to generate $12.6 billion in export earnings and the potential to create an additional 28,000 jobs. The value of this budget shows how committed this government is to employment when it acknowledges the slashing of 134,000 jobs! It beggars belief. Nonetheless, for the Australian export businesses and investors that the trade minister is supposed to be representing, he has repeated tonight that these numbers count. We will be holding him to the statement he has made here tonight about re-energising Australia’s role in the Doha Round. We just hope that he will put insurance in place and make sure that we do not lose the opportunity to continue to progress those bilaterals.

On behalf of the opposition, I wish Dr Gurry all the best in his new role and I am certain he will continue Australia’s strong tradition as an active participant in the international arena.

MATTERS OF PUBLIC IMPORTANCE

Budget

The DEPUTY SPEAKER (Hon. BC Scott)—Mr Speaker has received a letter from the honourable member for Dickson proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The economic irresponsibility of the Government’s budget in not only increasing inflationary pressures but raising new taxes that add to cost of living pressures on Australian families.

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

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

Mr LAURIE FERGUSON (Reid—Parliamentary Secretary for Multicultural Affairs and Settlement Services) (5.59 pm)—I move:

That the business of the day be called on.

Question agreed to.

BUSINESS

Rearrangement

Mr LAURIE FERGUSON (Reid—Parliamentary Secretary for Multicultural Affairs and Settlement Services) (6.00 pm)—I move:

That business intervening before order of the day No. 8, government business, be postponed until the next sitting.

Question agreed to.

Sitting suspended from 6.00 pm to 7.30 pm

APPROPRIATION BILL (No. 1) 2008-2009

Second Reading

Debate resumed from 13 May, on motion by Mr Swan:

That this bill be now read a second time.

Dr NELSON (Bradfield—Leader of the Opposition) (7.30 pm)—Australians expected a lot with the election of a new government. Last year they listened to what the now Prime Minister and Treasurer had to say. They heard them say that they were going to be good economic managers. They heard them say that they would do something about grocery prices. They heard them say that they would do something about petrol. They heard them say that they would do something about home interest
rates. They heard a lot. Every Australian should now ask themselves this question: will this budget make it easier for me to keep my home, to fill my trolley with groceries, to put petrol in my car and to keep my job?

The Prime Minister and Treasurer have styled themselves as new Labor leaders, yet this is old Labor returning to haunt the Australian economic landscape again. This is an old-fashioned, high-taxing, high-spending Labor budget that seeks to punish those it does not like and discourage aspiration. The government promised to ease the pressure on working families but failed the very people they promised to help. How can any government boast of a budget that proposes to put 134,000 Australians into unemployment? Under the coalition it was ‘welfare to work’; under Labor, we are headed again on the road from work to welfare.

How can they boast of a budget that largely ignores the men and women whose sacrifices built this nation—seniors and retirees? How can they boast of a budget that not only leaves carers in the lurch but sells them down the river? Where were the incentives for small family business? Where was the emphasis on water, farmers and rural and regional Australians? This budget, like this government, puts media spin ahead of substance, bureaucratic doublespeak ahead of people and more than 100 reviews, inquiries and committees ahead of decisions. There is no substitute for a sound economic strategy—and Australians know it.

For months, the nervous man that is now Treasurer talked up an inflation genie as being out of the bottle. He spoke of an inflationary crisis. He darkly warned that deep funding cuts were needed. Yet he has delivered a budget that actually increases spending and increases taxes. Far from slaying inflation, this budgetary approach risks breathing new life into it. This budget will do little to reassure Australians nervous about whether this Treasurer and this government really understand what they are doing. In contrast, the Liberal and National parties have enormous demonstrated experience in keeping the Australian economy strong and competitive and in making sound judgements according to economic circumstances.

Since last November’s election, the Prime Minister and the Treasurer have been more concerned with undermining and misrepresenting the Howard-Costello legacy than they have been focused on the economic challenges facing Australia. We should never forget that the leadership of the coalition of John Howard and Peter Costello enabled Australia to become a stronger, more prosperous country, more confident in itself and its place in the world.

Australia was a dramatically different place when the coalition came to office in 1996. Under Labor, Australia had emerged from oppressively high interest rates, the collapse of businesses and a recession that deeply scarred the nation. It was an Australia in which every parent feared for the future of their children. There was no talk of a skills crisis.

In its very first budget the coalition faced a deficit of $10 billion and $96 billion in accumulated Labor debt. Last November, by contrast, we handed to the new Prime Minister and the new Treasurer an economy the envy of the world. There was no Commonwealth debt, surplus budgeting is now accepted as the norm and more than $60 billion was then invested in Australia’s future. During the 12 years the coalition was in government, everything that should be up—wages, economic growth and business and consumer confidence—was up while everything that should be down—inflation, interest rates and unemployment—was down.
Under the coalition government Australians were able to get ahead.

This sound management and economic prosperity took place in the face of the Asian financial crisis of the late 1990s, the US recession of 2001, the tech wreck, the SARS epidemic, the terrorist attacks of September 11 and in Bali and amidst the worst drought in 100 years. We took these challenges in our stride because we know that managing a trillion dollar economy is never easy.

The Labor Party steadfastly opposed every single coalition measure that was essential to getting Australia into the position that it found itself in in November last year. Before the election, the Prime Minister repeatedly styled himself as an economic conservative. Expensive advertisements, slick management, cardboard cut-outs and expensive suits do not make economic conservatives. It is deeply rooted in philosophical conviction and character.

Today Australians are not confident about our economy. Business and consumer confidence has plunged to record-breaking lows, despite the fundamentals still being strong. Retail sales have fallen, building approvals have fallen flat, house values have fallen in many suburbs and Australians are less confident both in the economy and in their government— all this before the global liquidity crisis is yet to fully wash through the Australian economy and Labor’s inflationary, job-destroying roll-back on workplace relations. Union bosses are back in town, and we have no confidence that this Prime Minister will be able to stand up to union intimidation. Why would he? After all, they invested so much money in getting him into government.

Under Labor there is little opportunity for Australians to get ahead. This underwhelming budget is one of lost opportunity. The Prime Minister and Treasurer have presented their high-taxing budget as one that fights inflation. While no-one should deny that there is an inflationary challenge to be managed, there is no crisis. The last Labor government ran inflation in excess of six per cent a year for six years and it peaked at 8.3 per cent. Inflation is currently running at 4.25 per cent and is forecast to fall.

We have never subscribed to the Treasurer’s assertion that an inflation ‘crisis’ justifies savage budget cuts at a time of significant domestic and global economic uncertainty. We do not support higher taxes and higher spending. For all his talk of slaying some dragon, the Treasurer has breathed new life into inflation with a budget that delivers something Australians have not known in Commonwealth budgets in recent years: tax increases. The government has perpetrated a fraud on the Australian people.

Preliminary calculations indicate that the budget will increase the CPI by up to 0.4 per cent. The price of alcohol is up. The price of cars is up. The price of groceries will be pressured in part from higher taxes on trucks. The passenger movement charge is up. Taxes on software are up. And workers are about to have the Treasurer bite into their hard-earned money with a tax on canteen meal cards.

And health insurance premiums will increase with measures that will see a so-far confirmed figure of half a million Australians—mainly young people—drop private health insurance, leaving families, retirees and pensioners to pay even higher premiums to keep their private health insurance. We will stand up for private health insurance. We have always stood up for people with private health insurance and we will continue to do so. We will oppose this measure.

These are real price increases and they will cut into household budgets of real Australians, many of whom can least afford to pay them. These price increases could also mean higher interest rates. Far from reducing
spending and putting downward pressure on inflation, this budget increases spending. The Treasurer has not, as he says, ‘taken the axe to irresponsible spending’. He has merely taken a sledgehammer to people the Labor Party does not like and ignored others—seniors, carers, small business, and rural and regional communities.

The government has cut $15.2 billion from programs, but then it has added $30 billion in new Labor spending programs, so net spending will increase by almost $15 billion over the forward estimates. The government has not paid for this new spending with cuts. The government has instead chosen to impose taxes and increase revenues that will raise $19.7 billion over the next five years. Far from reducing taxes to encourage incentive and workforce participation, this budget increases taxes. The total tax take will increase over this year alone by $15.7 billion. That is a 5.2 per cent increase in taxation in one single year. This is a high-taxing, high-spending Labor government.

As for the income tax cuts announced by the Treasurer on Tuesday night, bear in mind that these are the coalition tax cuts copied by the new Treasurer. He no longer, however, has a straight A student in the form of Peter Costello to copy. As such, Australians have seen the last tax cut that they will see for some time. This budget confirms that Labor stands for higher taxes, whereas the coalition stands for lower taxes. Even after the income tax cuts, the total income tax take from Australians will increase by $42.8 billion, or 21 per cent, over the next four years.

Tax relief not only provides practical help for families; it also rewards hard work and self-sacrifice. It can also help tackle inflation by removing pressure for wage claims while encouraging people into work. The Treasurer demonstrated his lack of commitment to tax relief in January, when he called for an end to the Howard government policy of returning excess budget surpluses as tax cuts. The Reserve Bank, he warned, had been allowed to shoulder too much responsibility for controlling inflation with interest rate rises. If the coalition tax relief delivered in this budget reduces inflation by promoting participation, encourages skill development and keeps wage pressures under control, as Labor accepts, doesn’t that argument also apply to future tax relief? Clearly the Treasurer does not believe his own argument.

Labor is giving us something with one hand and taking it back with the other—and not just through knee-jerk measures, such as the new Tarago tax on cars or the $1 slug on responsible Australians who happen to enjoy a pre-mixed Bundy and coke or a scotch and dry. We know that, as incomes rise over time and workers move into higher tax brackets, the value of today’s tax cuts will be eroded in the future. Economists call it ‘bracket creep’. We call it tax increases on the sly. There must be a commitment to future tax relief. Alcohol abuse is a problem—it is a real problem—not only confined to some young people but spread right across society. I spent much of my medical life seeing its human consequences. I am also a parent.

According to the government, the principal cause and the source of binge drinking is the so-called ‘alcopops’ or ‘ready to drinks’. A whopping 70 per cent excise increase, we have been told, would make significant inroads into binge drinking. The evidence does not support the government’s assertion—in fact, quite the contrary. The National Drug Strategy household survey confirms binge drinking by young women since 2001 has actually declined and alcohol abstinence in this group has increased. So the Prime Minister has told Australians that they have got to pay $3.1 billion more in tax on one alcohol product to deal with binge drinking. Any parent, let alone a health economist, will
confirm that, if you jack up the price of alcohol in isolation from other measures, kids will simply move to another form of alcohol or a drug.

The budget confirms that after its tax increase the government expects consumption of these products to grow at a rate of some 10 per cent per year compounding. This is nothing more than a tax binge falsely presented to Australians as something that it is not, and that is why we are angry about it. We will oppose it. A real strategy to deal with alcohol abuse and antisocial behaviour demands an integration of education, prevention, policing, media, appropriate pricing measures and parenting where it involves young people. I will convene a national forum of alcohol specialists, educators, police, parents where expertise in their field is involved, and those who have expertise in related fields to develop a truly integrated approach to what is an undeniable problem. This will involve more substance than style.

Before the election, the Prime Minister led the Australian public to believe that he would do something about the price of petrol. He has done nothing of substance. Watching petrol prices does not bring them down. Australians may not have expected a silver bullet in the case of petrol, but they sure as hell deserve a government that does more than fire blanks. In 2001, when the price of petrol spiked sharply, we took the view that a strong budget allowed for some tangible relief. Petrol indexation was abolished. Petrol is now 17.7c per litre less than it would otherwise have been. The coalition did that.

Petrol is now hurting Australians in every walk of life and in every part of the nation. There is only one way that an Australian government can actually do anything decisive about the price of petrol and that is to cut taxes. So tonight I propose a cut in fuel excise of 5c a litre. This is a modest but meaningful way of helping all Australians—families, small businesses, pensioners and working people—so dependent on their cars. Ninety per cent of Australian households have a car. Right now, they all need help—real help. The coalition believes it responsible and fair to return a further $1.8 billion to hardworking everyday Australians in the form of a 5c a litre reduction in the fuel excise.

By lowering the price of petrol and the cost of transporting goods, this 13 per cent reduction in petrol excise will also have a modest, but measurable downward impact on inflation. This is in stark contrast to the tax increases under Labor which, as I have outlined, will have an impact on the CPI upwards of 0.4 per cent. The coalition is serious about reducing price and inflation pressures. Labor talks; the coalition acts. This is a real tax cut in the best traditions of the Liberal and National parties.

It was the Keating Labor government that put 5c onto the excise in 1993. We opposed it. I challenge the Rudd Labor government to help us take it out in 2008. This is not a review, it is not a committee, it is not a summit, it is not an idea to have a meeting—it is a decision. It is decisive action.

Small family businesses are the backbone of the nation. Indeed, it is one of the pillars of Liberal belief—men and women taking a risk, borrowing money to create or buy a small business and employing other Australians. Few things are more important to our way of life and our future prosperity. Get the conditions right for small business and employment will flourish and businesses will grow. We believe in encouraging and rewarding hard work. The tax system should not stifle innovation and Australians who are prepared to have a go.

Therefore, we are announcing tonight a major reduction in capital gains tax for small
business. The current 15-year rule with respect to waiving capital gains tax on the sale of a small business entity on retirement from age 55 was an incentive to small business introduced by the coalition in government. To further encourage small business men and women to invest in establishing or taking over a small business, the coalition will introduce a five-year rule for capital gains tax on sale of the business for retirement. After owning and operating a small business for five years, we believe you should be entitled to capital gains tax relief should you sell your business for retirement. You will be rewarded, as you should, for your hard work, determination and sacrifice.

Education is our future. The centralised fund proposed by Labor for school infrastructure cannot replace ‘parent power’. Parent groups and school principals will always know what their school needs much better than a clipboard-carrying bureaucrat who turns up from a centralised education department. The government has scrapped our Investing in Our Schools Program. These direct grants to schools made a big difference to improved buildings, classrooms, playgrounds and upgraded technology. The coalition will reinstate it. We will get them moving again. The government speaks of a so-called ‘education revolution’ in delivering more computers to schools, while ignoring the added costs to parents and schools of connection, of maintenance and of training.

The single most important influence in the life of a child, apart from a parent, is their teacher. But no teacher can teach what they do not know. The standard of teacher training in Australia must be improved. It is unacceptably low. Higher standards in universities mean higher standards in classrooms. In this, we are failing. The coalition commits to education reform, so essential to our economic and social development. The coalition will require a number of conditions on Australian universities before they receive a dollar in public funding if they are training teachers. Entry scores to undergraduate teaching degrees at Australian universities are embarrassingly and pathetically low. The minimum university entrance score must be higher for entry to an education degree and will be formally set as a condition of funding.

Science, humanities and social science departments will be required to set and/or accredit relevant course content and assessment in education faculties. All trainee teachers will be taught how to teach children to read using proven techniques, including phonics based instruction. They must also be taught and assessed in basic sciences, mathematics, English and history. University education faculties will be required to appoint high-quality classroom teachers to their academic staff as tutors and lecturers. We need more classroom teachers teaching in our universities and fewer social engineers. This will assist in lifting the status of teaching as a profession and it will bring a greater practical focus to the training of teachers. To attract our best graduates into teaching, we must provide quality teachers with access to increased pay. Like any other profession, teachers should be rewarded and recognised on merit, as assessed by their peers. Better teachers deserve better pay. There can be no place for mediocrity when it comes to the future of the nation’s teachers, yet that is tolerated in too many of our teacher training institutions. This is an education revolution.

The Prime Minister has repeatedly told the House that he would reduce the financial stress of carers by providing them with ongoing secure support. The budget has failed carers. The carers bonus, introduced by the Howard government, is only being paid this year because the Labor government was shamed into action. Devastatingly for carers, however, there is no commitment in the
budget papers to pay it in future years. These men and women, these carers, are the window into our humanity. Their work is done on behalf of all Australians. What modest support they receive from government should be recognised as a wage that saves Australian taxpayers in the order of $30 billion a year. Tonight I give all Australian carers my commitment that we will use the government’s inquiry to ensure equitable funding to carers in reflection of the work that they do on our behalf.

Australian seniors feel let down that the federal budget does very little to ease their cost-of-living pressures when they have done so much to build this country. That is why we will not support Labor’s changes to the income test for the Commonwealth seniors health card, which will leave thousands of seniors without a health card when they need it most.

In addressing the future and the course of our nation, we need to identify and respond effectively to five key challenges. The first is the prosperity of our nation. How can we hand to the next generation a level of prosperity of which we can be proud and in which they can have confidence? This will mean taxation reform—not just simplification but lower taxes overall—and we have already begun that process. Further, how can we prosper when this budget cuts investment in research and development and swings cuts through the CSIRO?

The second challenge that we face is that of the Federation. It is very important for every one of us to ask ourselves in this the 21st century: how can we make the Federation work more effectively for our country in the interest of Australians? It will require all of us, in a mature and sober way, to examine the constitutional arrangements and responsibilities of the three tiers of government—who is responsible for what, how the money is raised and then how it is distributed.

The third challenge is that of the environment. We, as Australians and as global citizens, need to begin to live on environmental interest instead of environmental capital. It is time that we focused on water and food security as much as on anything else. Further, Australia alone cannot solve climate change, but we can do enormous environmental and economic damage to our future if we get this wrong.

The fourth challenge for us in our future is that of the security of our nation—the defence and protection not only of our country but of, increasingly, our people, our interests and the values for which we stand throughout the world.

The fifth challenge is to ensure that we are a cohesive society—to make sure that we see drug use, alcohol abuse and illiteracy not only as a human but as an economic issue. We must see the existential despair and state of 90,000 Aboriginal people living in remote parts of this country and many other things such as gambling addiction as being no less important to us in our future than getting our economic fundamentals absolutely right, upon which, ultimately, success will depend. Before the next election we will announce policy to shape the future that we want as Australians. We are an opposition, but we are also an alternative government.

Our beliefs are in the individual, in the encouragement of, and rewards for, hard work and self-sacrifice in everyday life. We believe very strongly in the family as the bedrock of Australian society, while respecting and reaching out to every other Australian, whatever their economic or personal circumstances.

We believe in choice. We believe Australians should be encouraged and supported in choice in health and education. Equally, they
should be free to join a union or not to join a union.

We believe strongly in defence and security and investment in it for the protection of our nation. We believe very strongly that small family businesses are the lifeblood of our nation and its economic prosperity. We believe always in lower taxes, once our obligations to society in health, education, road infrastructure, defence and other requirements have been met.

We believe ultimately in the individual. We believe that the inherent worth of every single Australian is paramount and that our task as Liberals and as Nationals is to stand against oppressive bureaucracy and governments that too often—and under this new government—appear to think that they know what is best for Australians, instead of leaving choices and freedoms in the hands of individuals who actually make this country work.

We believe we will be at our best as a nation if we see ourselves as and strive to be an outward-looking, highly competitive and compassionate people, reconciled with our Indigenous history and imbued with fundamental values of hard work, self-sacrifice, courage, tolerance and a determination to see that we support one another, that we respect our freedoms and stand up for the rights, values and freedoms of not only all Australians but all people throughout the world.

Debate adjourned.

House adjourned at 8.01 pm

NOTICES

The following notices were given:

Ms Parke to move:

That the House:

(1) notes the grave and ongoing humanitarian and political crisis in Zimbabwe;

(2) expresses its concern at the unacceptable delay in the release of official results from the 29 March 2008 presidential election in that country, and records its concern that this delay was part of a ploy by the incumbent Mugabe Government to fraudulently retain power;

(3) asserts that the democratic choice of the people of Zimbabwe must be respected, and that the second, run-off presidential election, to be held by 31 July 2008, must be free, fair and without intimidation;

(4) calls on the Zimbabwe Election Commission to invite international election observers to monitor the election including observers from the African Union and the United Nations;

(5) confirms its commitment to the fundamental democratic requirement of a free and open media, and urges the Zimbabwe Government to allow international media full access to Zimbabwe to report on and properly scrutinise the run-off election;

(6) condemns the use of violence and other kinds of intimidation or manipulation by election participants in Zimbabwe, including by associates of the ruling Zimbabwe African National Union – Patriotic Front party, in attempts to pervert the democratic process;

(7) expresses its hope that the election process can be resolved in order that a properly constituted government of Zimbabwe can turn its full attention to addressing the serious problems afflicting its people, including severe food shortages, a spiralling rate of HIV/AIDS infection, high level unemployment, raging inflation and the lack of basic health services;

(8) welcomes the Australian Government’s humanitarian aid to Zimbabwe which provides humanitarian relief and human rights support for ordinary Zimbabweans; and

(9) supports the Minister for Foreign Affairs in his efforts on Australia’s behalf in seeking to cooperate with the United Nations, other nations, and relevant non-government organisations to bring a rapid and peaceful resolution to the political impasse in Zimbabwe, and to address the humanitarian crisis in that country.
Mr IRONS (Swan) (9.30 am)—I rise today to bring to the attention of the parliament a subject that has been raised before in parliament but which still continues to be a problem in my electorate of Swan, in Western Australia, as well as in other states of Australia—that is, franchising. Last month three franchise owners in Western Australia came to my electorate office in a state of distress as they were on the verge of financial ruin after purchasing and continuing to run a franchise business from a company called Michel’s Patisserie. They came to my office as a last resort, feeling they had nowhere else to turn for help. They are in a state of despair and stand to lose all they have achieved in their working lives, including their family homes, and they may have to endure the embarrassment of bankruptcy. These are not wealthy Australians by any means but middle-class, hardworking Australians who have placed their homes and financial lives at risk on a franchise business model. After meeting with them and seeing the documentation for the proposal of that model, I was appalled that they had been convinced by the franchisor to purchase this model. I was soon to learn that at least five out of the 16 franchisees in WA are in the same position. I learnt as recently as yesterday that there are at least another 10 in Queensland in the same position.

Soon after meeting with the franchisees I, with Luke Simpkins, the member for Cowan, and Don Randall, the member for Canning, had a meeting with John Martin and Sam Di Scerni from the ACCC to discuss franchising and churning. I have now sought a further meeting with John Martin and I have also written to the chairman of the company that owns Michel’s Patisserie seeking a meeting. An article appeared in the *Courier Mail* on 10 May entitled ‘Pie in the sky: not everyone makes money buying a franchise’. The article was written by Des Houghton. The article was primarily about struggling and pressured franchisees of Michel’s Patisserie and how they could not make money. The article also stated that only one franchisee had terminated its agreement in the past three years. Michel’s Patisserie seemed to be the only ones convinced that there is money to be made in their model. The article also failed to state how many franchise agreements had been terminated by the franchisor and how many franchisees had to leave with only a token payment to walk away with—and then the franchise was resold, to the benefit of the franchisor.

Graeme Samuel, Chairman of the ACCC, told a recent federal parliamentary inquiry there were grave concerns with some aspects of franchising. Mr Samuel also told the hearing that action could be taken through section 51AC of the Trade Practices Act, which relates to unconscionable conduct. I and three of my parliamentary colleagues, who have constituents with similar problems, will continue to highlight franchising in Australia until we can get a satisfactory result for the franchisees. I urge the new minister for small business, the Hon. Dr Craig Emerson, to join us in this pursuit to assist Australian small businesses who are operating franchises and to review current legislation on franchising and the protection of franchisees.
Ms CAMPBELL (Bass) (9.33 am)—I have an enormous respect for the contribution made by carers in my community. In my electorate of Bass we have a tremendous number of carers, each and every one of whom deserves our thanks and our deepest appreciation for the tireless work that they do. Chief among my priorities when I was elected was providing support and respite for people with disabilities and for those who care for them. During my campaign, I was fortunate enough to meet two people, Jo Ryan and her son Ben. Ben has fragile X syndrome. He is a vibrant, unique and utterly charming young man. His mum, Jo, is unstinting in her love, affection and care for him. I met Jo when she was concerned about the end of a pilot program run through St Michaels Association Inc. in Launceston. The previous government funded it in its pilot stage and then callously chose not to renew it, despite a clear need in northern Tasmania. This program provided weekend respite for Jo and an opportunity for Ben to learn life skills away from home. He learnt how to cook and he learnt how to clean—practical life skills which would help him to break away from the family home. The difference which this program makes to both Jo and Ben cannot be overstated. That is why, when Jo came to me, I promised her I would fight for funding to see that this program was continued.

Last week I was able to tell both Jo and Alex Huntir, the CEO of St Michaels, that the Rudd Labor government is committing an extra $423,979 to the program to see it continued until at least June 2010. I understand, and clearly the Rudd Labor government understands, that without respite carers burn out. The demands placed on them at times are just unimaginable. That is why, in my capacity on the House of Representatives Standing Committee on Family, Community, Housing and Youth, I moved a motion in support of an inquiry into better support for carers. I am passionate in the belief that we as a community must do all that we can to support those who in turn support the most vulnerable in our community.

Let me say also that I am proud to be part of a federal government which is committed to extending 555 funding agreements for respite and carer support services through until June 2011. Eight such services are in my electorate of Bass and I look forward to them sharing in almost $440 million. I look forward also to drafting the terms of reference for the parliamentary inquiry into better support for carers. I look forward to hearing from those on the front line what we as a Commonwealth government can do to assist them to make the lives of people like Jo and Ben Ryan as positive as they can be.

Mrs GASH (Gilmore) (9.36 am)—Fiona Lodge Ronald McDonald Beach House is a special type of house located close to Bateman’s Bay, in my electorate of Gilmore. It is a special place because it provides free holidays to families of children and adults who are fighting a life-threatening illness. Fiona Lodge came about through a partnership with McDonald’s Australia and Des Phillips, Rachael Sweeny-Johns and Jim Johns, who in the late 1990s established the Bay of Dreams committee. From there commenced an active fundraising campaign, with the result that work began on the site in July 2000. Sadly, one of the instigators of the project, Des Phillips, the man who united the community with his passion to help people, was diagnosed with a terminal illness and lost his own battle with cancer. Over $1 million was raised in just four years. This is a remarkable effort from the community for a facility that offers respite to the families of children blighted by cancer. It is a chance for them to forget their woes, at least for a short time, and have a sunny holiday in the midst of gloom.
In late February this year I had occasion to be invited to visit Fiona Lodge, and the memory of that visit will stay with me forever. I was invited by Jim Johns, who is the owner of Bate-man’s Bay McDonald’s and one of the founders of Fiona Lodge, to come down to have a look around and to join them for a lunch with visitors from China. The visitors included three orphaned Chinese children, two boys and a girl, who had been abandoned at birth because of their physical defects and whose chance of adoption was very slim because of those defects. The Chinese police had found them lying in the streets and had taken them to an orphanage, where they have lived since.

The children earned the sponsorship of Fiona Lodge to come to Australia for a holiday by behaving well and working hard at their studies. New Idea helped sponsor the trip and will be doing a story on them. The intent of the gathering was to welcome the children into our community but not to seek their adoption. In fact, the Chinese government had issued clear instructions that this was not an option to be canvassed.

Fiona Lodge is situated close to a private beach called Nuns Beach, at Rosedale near Bate-mans Bay, and has to be seen to be appreciated. It is really more of a retreat than a beach house. Part of the house has been specifically set up for families. The second section of construction is more suited to adults who are suffering the after-effects of cancer treatment. The concept of Fiona Lodge is that of a community partnership sponsored in conjunction with a corporate entity, and it was the first of its kind in Australia. There are now four other similarly styled facilities in Australia. One will soon be built in New Zealand and another in Canada.

A banner of thanks was presented to Jim Johns and to Fiona Lodge, and I was very humbled by the fact that I was thanked as well and actually given a copy by the Chinese delegation of Mr Rudd’s book, a biography written in Mandarin. There was some embarrassment when they heard that I was from the other side, but I was flattered when someone told them that I was a very good community politician and that it would be okay to give me the book. I was very honoured to accept it and have since had Mr Rudd sign it for me, and I am practising to read it. In return, I proudly exchanged an Australian flag, which I hope will be flown in China. In the letter of invitation that was sent to me, Jim Johns wrote:

Your handshake will not replace a lifetime of love and affection these kids have never had, but it will show them that there are people who are willing to take the time to come and visit them to show they care.

In closing, I would like to draw attention to the organisation that has been created to assist orphaned and needy children in China.

Aldinga Aero Club

Ms RISHWORTH (Kingston) (9.39 am)—I rise today to congratulate the Aldinga Aero Club for the terrific services they provide to southern Adelaide. On Sunday, 30 March I experienced firsthand how the Aldinga Aero Club touches the lives of the community with their remarkable service. The club has for many years been running special days for the Leukaemia Foundation where they take children on joy flights. Sunday, 30 March was no exception. It was touching to see the joy the Aldinga Aero Club brought to many children diagnosed with leukaemia, and their families, on that day.

The statistics surrounding leukaemia are devastating and demonstrate why it is so vital that we have community groups such as the Aldinga Aero Club. It is estimated that every two
hours someone loses their life to leukaemia. Sadly, many of these are young children. I would also like to take this opportunity to thank the sponsors who helped make this day possible: LJ Hooker, Aldinga; Bakers Delight; Janas Hair; and the City of Onkaparinga.

The Aldinga Aero Club’s commitment to the community, though, does not stop there. In the past year the Aldinga Aero Club has been involved in supporting Angel Flight Australia. The aero club has over time coordinated with Angel Flight Australia to achieve a number of non-emergency free flights for financially and medically needy people in the southern Adelaide community. The club and its pilots have now flown many times to rural and regional areas of South Australia, making life just that little bit easier for those people with sick family members, to make sure that they receive medical treatment so desperately needed.

One such Angel flight was for Jamie of Loxton. Jamie is seven years of age and her medical condition thus far has not been diagnosed. She suffers from a range of medical conditions, including low muscle tone and severe intellectual disabilities, and is required to be fed through a stomach tube. Jamie’s mum, Trish, has lost count of the number of trips Jamie and her family have made to Adelaide for ongoing medical support. Since Jamie was four months old, she has been taking a painful 4 ½-hour drive to the Adelaide Women’s and Children’s Hospital. Now with Angel flights it only takes 45 minutes. In Adelaide she is welcomed by the friendly faces of the ground angels, who take her and her family to the Adelaide Women’s and Children’s Hospital. Jamie’s family has been touched by the efforts of the Aldinga Aero Club. The club’s commitment has made such a difference to this family.

The Aldinga Aero Club consists of hardworking volunteers who have helped so many in our community. Volunteers like the members of the aero club are the glue that strengthens our society. I commend all the volunteers, pilots, businesses and community groups involved in supporting the fantastic services that the Aldinga Aero Club provides.

Fadden Electorate: St Stephen’s College Chaplaincy Program

Mr ROBERT (Fadden) (9.42 am)—Madam Deputy Speaker Burke, how pleasant to be in the same chamber. I rise this morning to acknowledge some of our great school captains and school leaders within the schools in Fadden, the fastest growing electorate on the Gold Coast. From St Stephen’s College, let me acknowledge prefects Amber Forbes, Ryan Hunt, Jessica Law, Monique McCurdy, Matthew Beddard, Katie Chae, Nicola Demler, Jaiden Kennedy, Melanie Maclare, Katya Oldfield, Lyndon Pforr, Michael Schmidt, Bridgitte Yap, Melissa Nikolich and Tara Trezise; house captains Robert Cozier, Jackson Vilic, Amber Forbes, Joshua Te Tai, Kara Vaughan, Damien Yates, Ricky McGuinness, Lara Perkins, Jenna Blackbeard, Tahitia Chang, Justin Erasmus and Jessica Law; the sports captain, Ryan Hunt; and cultural captains Paige Edwards, Alexander McLachlan and Monique McCurdy. Our children are 100 per cent of our future. I acknowledge and support these great leaders and look forward to following their journey as they progress through their school years.

I would also like to bring to the attention of the House the issue with respect to the chaplaincy program, which the government is proposing to change come 1 July this year. The chaplaincy program was implemented as a faith based program. It was not there to replicate the role of the state in providing social work; it was to provide pastoral care and chaplaincy.
The federal government is now looking to change that to a more secular program. When the chaplaincy program was implemented, the then Prime Minister John Howard said:

My assessment of the Australian community is that whatever its view about formal and religious adherence, it does hunger for additional ways of looking at the spiritual and pastoral side of life.

Education Minister Gillard’s office has confirmed that the program will be changed into a secular scheme when current contracts expire—a chaplaincy program changed to a secular scheme. It is the role of the states to provide social work and support, not the role of the federal government.

Australian Education Union state president Mary Blewett, clearly in a state of depression, rolled out:

The overwhelming majority of government schools didn’t go near the program.

She continued:

Given the multicultural mix in many … schools, to go down the path of the chaplaincy program would have been incredibly divisive.

Clearly no-one has told the union movement that 2,630 schools took up the program in 2007. The program also allowed for schools to choose the role, faith or denomination. It appears that the federal government may be going down the same route as the Queensland state government did when they tried to amend voluntary religious education to allow any faith or secular group to come in, including spiritualists and witches, to teach children. The level of public outrage was, of course, huge, and the state government of the time backed down. I would hope that the federal government sees sense and realises that it is a chaplaincy program, not a state based social program, and backs down from the lunacy of changing chaplaincy to something secular based.

Robertson Electorate: After-Hours Medical Services

Ms NEAL (Robertson) (9.45 am)—I rise this morning to draw the attention of this House to the concerns of a group located at Kariong in my electorate. Kariong is a relatively new suburb, first settled about the time I actually moved to the coast, which was in about 1986. Approximately 3,000 people reside there. It is essentially a dormitory suburb. The vast majority of people there are either young families—who commute to Sydney, which is about 1½ hours away—or people who are recently retired.

A petition has been presented to me that has been signed by 268 people. It draws attention to their lack of after-hours medical services. In fact, the closest after-hours medical clinic for this group of people is approximately 40 minutes away, which is a major inconvenience, particularly bearing in mind the difficulty with public transport when travelling from Kariong to Erina. Of course, this group of people is very concerned. For really relatively minor ailments that need attention but not necessarily emergency attention, they should not be blocking up the facilities at the nearby emergency department of Gosford Hospital. They are very concerned and want to see that there are after-hours medical services provided.

I have had the opportunity to speak with Minister Nicola Roxon’s office. It appears possible that, under the program provided by this far-sighted government, an after-hours clinic in Kariong or in the nearby Mangrove Mountains-Somersby area can be provided. Certainly I am working with her office in the hope that this can be achieved. For many people in what we
might call the regional areas of Australia, access to medical services is quite difficult, and they really do require some assistance.

I would now like to present that document.

The DEPUTY SPEAKER (Ms AE Burke)—The document will be forward to the petitions committee for its consideration and will be accepted subject to confirmation by the committee that it conforms with standing orders.

McPherson Electorate: Lions Youth of the Year

Mrs MAY (McPherson) (9.48 am)—Earlier this year I had the privilege once again to be chairperson of the judging panel of the Lions Club of Palm Beach-Currumbin’s 45th Lions Youth of the Year contest. I was joined this year on the panel by Mr Ken Lydiard, the Principal of Currumbin State Primary School, and Mr Alex McColm, who was representing the National Australia Bank, a major sponsor of Lions Youth of the Year nationally. The seven contestants this year were Jaeden Haas, Lachlan McCarthy, Sophie Hoffman, Timothy Gear, Thomas Litfin, Georgia Gardiner and Luisa Di Pompo. All these students came from schools on the southern Gold Coast.

This annual event, which is sponsored by the Lions Club, aims to foster youth development in community speaking. Contestants were examined on local and international topics over several hours during the day and then had to come back at night to speak in front of their family, friends and the local community on two questions posed by the judges and on one topic of their own choosing. The high calibre of the youth participating certainly showed that these young people will be the leaders of tomorrow, and I can assure the House today that Australia will be in safe hands in the future.

Five of the seven contestants were school captains, and all contestants showed a remarkable array of academic, personal and community achievements. Sixteen-year-old Georgia Gardiner, from Elanora High School, was the overall winner, and she will go on to represent the Lions Club of Palm Beach-Currumbin at the next level of the competition. Georgia is a true all-round achiever. She has received academic awards, including junior dux in 2006, as well as cultural, sports, citizenship and speaking awards. The competition was extremely close, with Georgia only winning by one point.

Special commendation was awarded to 15-year-old Luisa Di Pompo from Marymount College, and 16-year-old Thomas Litfin from Somerset College won for best-prepared speech. The national ceremony for the Lions Youth of the Year Quest will be held in Darwin in May, so sometime this month we will have a national winner. I would like to put on record my thanks to Lions president Brian Mattingley, secretary Terry Gunton, and Merv Rose, who looks after the media for the Lions Club, along with all members of the Palm Beach-Currumbin Lions Club, for what is a wonderful event that they host every year. I would also particularly like to thank Harvey Crooks, a Lions Club member who is the coordinator of this event each year.

The Lions Club’s continued support of young people locally is truly inspiring. It is certainly a great event and something to be looked forward to in my electorate every year. I join the Lions Club of Palm Beach-Currumbin in wishing Georgia well at the zone finals. She will be an outstanding contestant and a great achiever for the southern Gold Coast. We wish her well in the national finals this month. She will be a worthy opponent to all other competitors.
Glenelg to Adelaide Pipeline

Mr GEORGANAS (Hindmarsh) (9.51 am)—I rise to speak today on a great water-saving project within the electorate of Hindmarsh that was announced as part of the budget on Tuesday night—the Glenelg to Adelaide water-recycling project. The project comprises expanding the Glenelg Wastewater Treatment Plant and establishing a 30-kilometre pipeline network, which will be laid from the plant, past the Adelaide Airport, through the electorate of Hindmarsh, into the city centre and on to North Adelaide. This will free up stressed groundwater resources and the much stressed River Murray water that is now used to water our parklands and supply industry and developments in the city.

I recall being lobbied in the early time of my candidature for Hindmarsh, in 1997, by the West Torrens City Council. They wanted to see this project come to fruition—in fact it was their idea. I would like to congratulate John Trainer, the current Mayor of West Torrens, and the outgoing CEO, Trevor Starr, who lobbied way back in 1997 and 1998 for this project and sought my support. This was the beginning of a great campaign to secure the future water supplies for the western suburbs of Adelaide.

I held many meetings with community groups. I had meetings with the state minister for water and the then Labor shadow minister for water, Anthony Albanese, and tried to speak to the then federal minister—because this pipeline was a revolutionary idea. It was a project that would not only save water but also protect the Gulf of St Vincent by reducing the discharge of nutrients into the gulf by 50 per cent. On the face of it, pumping cleaned, useable water out to sea seemed pretty strange and wasteful when we were in a situation, as we are now, with water being in such demand. As water is becoming increasingly scarce and valuable, it should be judged on its quality and reused as much as possible.

Adelaide’s water supplies need to be protected. The streets of Hindmarsh remain very dry, with water becoming a resource that many of us use ever so sparingly. The pipeline could potentially return as much as one billion litres of high-quality recycled water to irrigate the Adelaide parklands every year. With this in mind, the project seemed so logical and was only hampered by financial constraints. But I am pleased to say that, when the Rudd Labor government came to office, important projects such as this pipeline were completely supported.

We wasted 10 precious years, and the development of water-saving initiatives that are so vital to the further prosperity of our nation suffered. Water is a national priority for the Rudd Labor government and will continue to be for years to come. This is a government that I am proud to be a part of and one that is planning for the future prosperity of our nation.

Health: Drug Abuse

Dr JENSEN (Tangney) (9.54 am)—We are all very well aware of the terrible toll that the abuse of legal and illegal drugs has on Australians. It is not just the deaths and the debilitated mental and physical health of drug users but the extra costs to our health, police and prison systems. Even worse is the harrowing price extracted from families and friends of addicts. Parents are driven to despair as they see sons and daughters degenerate into gaunt shadows or desperate, aggression fuelled travesties of the children they raised.

The good news is that there is an amazing treatment happening in Dr George O’Neil’s naltrexone clinic in Perth. Dr O’Neil implants the naltrexone, which protects the addict from the effects of a drug for at least four months by blocking the effect of the drug, so addicts no
longer desire a drug because they do not feel the high that comes from it. Less than five per cent of opiate users will reuse drugs again within six to nine months of the implant. This treatment was originally used to treat heroin addiction but is now being used against other illegal drugs and to help alcoholics kick their addiction.

Dr O’Neil gets funding from the Western Australian government of around $1 million but needs at least $10 million from the federal government to be able to treat all those who come to his door, many of whom are from interstate. This treatment offers the first ray of hope for drug addicts. It would also make a huge dent in the illegal drug industry, which is crippling our country financially and socially. I cannot stress too much the importance of Dr O’Neil’s work and the commitment he and his team are making on a daily basis. We should appreciate the many thousands of dollars of his own money which Dr O’Neil has already put into this amazing procedure.

The clinic employs several highly qualified young people who no doubt could earn much more money elsewhere. It also has many volunteers, who do a great job in assisting Dr O’Neil in this work. Dr O’Neil’s program does not just treat the addiction but also provides post-implant counselling and short-term housing. It has given new life and hope to addicts of both legal and illegal substances and is helping save the rest of society from suffering the inevitable consequences of drug abuse. We will not just be saving millions of dollars but thousands of lives from early death and disease, and Australian families from endless trauma. I urge all members to support the funding of this truly remarkable treatment program.

Budget

Mr COMBET (Charlton—Parliamentary Secretary for Defence Procurement) (9.57 am)—The Rudd Labor government’s first budget has delivered on a number of election commitments for my electorate of Charlton. During the election campaign, a commitment was made to fund a GP superclinic in the Westlakes or Southlakes areas of my electorate—that is, on the western or southern side of Lake Macquarie. The funding has been allocated for the superclinics, and we will now work assiduously to develop a funding application to deliver on the clinic in the region, where there is a critical shortage of general practitioners. The current ratio of GPs to the population sits at around one to 2,000, and there is extreme need for such a commitment in the area.

There are a number of other commitments that have been delivered in the budget. Another is the allocation of $118,000 for the development of a Police-Citizens Youth Club outreach program at Morisset, which we will be doing in partnership with the PCYC and the Lake Macquarie City Council. That will be extremely important for youth in the area. We are also hopeful of achieving funding for black spot treatment of the intersection of Dorrington Road and Wangi Road. I hope to be able to say something more about that in the immediate future.

The budget has also provided something important for the Wallsend region of my electorate: the installation, in partnership with the Newcastle City Council, of a flood early warning system. People may recall that, in June last year, there were serious floods in the area that caused enormous property damage and dislocation. At least the installation of a flood early warning system in the area is going to provide people with the opportunity to evacuate an area, for reasons not only of safety but also of saving stock for small businesses and a number of other things, of course, in people’s homes.
There is an extremely important additional commitment in the budget in relation to addressing the problem of climate change that is relevant to my electorate and the region. My electorate has within it seven or eight coalmines and a large power generator known as Eraring Energy. The establishment of a $500 million Clean Coal Fund, which includes within it $50 million for the development of carbon capture and storage capability, is extremely important for the Hunter region. It will enable the investment in research and development to take place to try and establish improved clean coal technologies, which is extremely important for the job security of families who depend upon the coal industry within the Hunter region.

These are just some of the important initiatives that directly impact upon my particular electorate. Another is the establishment of the funding for a PET scanner at the Calvary Mater Hospital in Newcastle. We are in an area where there is a high incidence of cancer, and this will be an important piece of diagnostic equipment which will help people of the region.

Mr HAASE (Kalgoorlie) (10.00 am)—It gives me a great deal of pleasure to rise on this occasion to speak to the Protection of the Sea (Civil Liability for Bunker Oil Pollution Damage) Bill 2008 and the Protection of the Sea (Civil Liability for Bunker Oil Pollution Damage) (Consequential Amendments) Bill 2008. The purpose of the bills is to give effect in Australia to the International Convention on Civil Liability for Bunker Oil Pollution Damage, internationally known as the bunkers convention. The bunkers convention establishes a liability and compensation regime for pollution damage caused by spills of bunker oil. Bunker oil is any hydrocarbon mineral oil, including lubricating oil, used or intended to be used for the operation or propulsion of a ship. It does not refer to oil that is carried as a cargo. Bunker oils are carried by large commercial ships. They are often heavy fuel oils, which are highly persistent and viscous. They can potentially travel great distances as a result of wind and the action of currents and cause widespread contamination. Heavy fuel oils are generally not amenable to many of the clean-up techniques used for oils that float.

This legislation when passed will bring into effect the bunkers convention on 21 November 2008. The bunker oil bill ratifies the international bunkers convention. Australia introduced legislation in 2001 to require ships with a gross tonnage of 400 or more entering Australian ports to have documentation on board demonstrating they have insurance coverage. However, under that legislation accountability for spills exists only if the shipowner is found to be at fault. The consequential amendments will maintain the current Australian legislation relating to ships with a gross tonnage of 400 or more without duplication of necessary certification.
As the member for Kalgoorlie, I represent approximately one-third of Australia’s coastline, including the Pilbara ports of Dampier and Port Hedland. I also represent some of the most pristine coastlines in Australia and, indeed, the world. I have, according to GIO Australia, some 16,000 kilometres of coastline, most of it extremely pristine. I submit in my contribution in this House that it should be kept that way.

The legislation before the House today is also supported extensively by the industry umbrella groups, Shipping Australia and the Association of Australian Ports and Marine Authorities. I was very pleased to find out when researching this legislation that all of the umbrella groups representing the shipping industry here in Australia are only too pleased to support this legislation also. They have for many years now expressed an increasing concern about the maintenance of our marine based industries, given that the livelihoods of those who occupy coastal towns and cities so often depend upon the bounty of the sea.

Australia’s commitment to the ratification of the International Convention on Civil Liability for Bunker Oil Pollution Damage, known as the bunkers convention, through the protection of the sea bills is very important. Almost all of Australia’s international trade is carried by sea. More significantly, Australia is in fact the largest shipping nation in the world when one considers the tonnages that are sent from and arrive in Australian ports. From the earliest days, when Australia rode on the sheep’s back and wool was transported around the world, to now, when we are exporting vast tonnages of coal, iron ore and liquefied natural gas to Japan and China, ships have been a vital link in the supply chain.

The Australian public are all too familiar with the sight of ships off our ports, waiting to be loaded. In some cases they are waiting too long to be loaded. I have in mind some of the coal ports of the eastern seaboard. I am pleased to compare that circumstance with the extremely efficient circumstance of the loading of iron ore vessels off the Pilbara coast, in my electorate. There it is pleasing to see half a dozen large vessels waiting to be loaded. It assures some of the larger iron ore companies in my electorate of a guaranteed supply to their overseas customers. But if you are seeing ships numbering 30 or 40 all paying demurrage then it is a very expensive view.

The primary ports in my electorate are Broome, Port Hedland, Dampier and Esperance, as well as the minor ports of Wyndham, Derby and Carnarvon. Dampier and Port Hedland vie for the position of largest tonnage port in Australia from year to year. There is a very strong rivalry between those two port authorities as to who is going to knock the other off in which particular year. Currently the prize is held by Port Hedland. It seems to me that it is a reorganisation. By including smaller outlets in the greater Port Hedland harbour authority area, it seems they are going to be hard to beat in years to come. They currently have a port capacity of some 140 million tonnes per annum. Dampier has about the same. By comparison, Gladstone, on the east coast, has a capacity of about 60 million tonnes per year.

Australia is not a manufacturing nation. Nearly all of our household goods come into Australia as imported goods by sea. Our refrigerators, computers, televisions and cars all come in on large sea freighters. These cargoes, on which our economy is so dependent, have almost doubled over the past decade. It is over the past decade that the previous Howard government’s shipping policies have been so encouraging of that growth. International sea freight increased from some 450 million tonnes, valued at approximately $120 billion, in 1996-97, to almost 700 million tonnes, valued at about $250 billion, in 2005-06.
During the past decade the Howard government took a range of initiatives aimed at reforming and enhancing the competition in the marine sector for the benefit of users of both international and domestic shipping and to ensure that shipping meets community standards in safety, marine environment protection and security. These days the area of security is more and more important. Also, the previous government took seriously the issues of marine safety and the care of the marine environment. Pleasedly, Australia has a reputation internationally for being one of the more vigilant conductors of port state control inspections.

There was a succession of maritime incidents in the early 1990s, and some of those incidents occurred off and around the coastal area of my electorate. On 21 July 1991 the Kirki, as it approached Lancelin and Cervantes—a little further south than my patch—lost its bow section in fairly heavy seas and spilled a quantity of light crude. She did not go down, fortunately. With some exceptional work, a very brave young man jumped onto the deck of the Kirki and secured a line. She was put under tow and finished up in the waters off Dampier—very calm waters, perfect for the salvage operation. In fact, I was fortunate—I think fortunate is the word—to be on board the Kirki during the salvage operation. It was a time I will not forget.

Speaking of port control inspections and necessary certification in relation to ship safety, I add that the deck of the Kirki was a 25-mil plate, and an inspection of the forward section where the focsle had snapped off revealed a product like metal chantilly lace that had been rusted through in just 20 years of operation and poor inspection. After a great deal of careful and well-recorded salvage work, the Kirki’s cargo of light crude was offloaded—and a valuable cargo it was. Despite aspirations that she would become a floating storage facility somewhere in the Singapore area, the Kirki was in fact dragged up on the beach and eventually cut up for scrap steel.

In February 1991, the Sanko Harvest went down off the coast near Esperance. She struck a reef and broke up, and some 700 tonnes of bunkers were lost and ended up on the beaches of the Cape Le Grand National Park. A successful clean-up operation of the foreshore continued for some nine weeks—a lot of hard work.

Between January 1990 and August 1991, six bulk carriers sank after loading iron ore in northern Western Australia. We may reflect on that now in total amazement—that we could allow such a thing to happen and that many lives and valuable cargoes were lost. We have to keep in mind, when we think of the necessity for this legislation, that clean-ups are very expensive. Clean-ups that are successful are very expensive, and the clean-ups that are less successful are even more expensive because they damage for a very, very long time our marine environment.

Following all of those incidents, of course, the House of Representatives Standing Committee on Communications, Transport and—at the time—Microeconomic Reform carried out an inquiry into ship safety. That was carried out, I am pleased to say, by the then member for Shortland. That was the rather famous—I think I can extend ‘famous’—Peter Morris, who was the member for Shortland from 1972 to 1998. I came in in 1998 and never had the pleasure of knowing Peter.

Ms Hall—He was here yesterday.

Mr HAASE—We lost the opportunity.
Ms Hall—Next time I will make sure you meet him.

Mr HAASE—I recognise that interjection from the current member for Shortland. The final report handed down by that committee, known as the Ships of shame report, was a turning point in Australian maritime regulation and safety. I think it is perhaps why we can acknowledge that that period between January 1990 and August 1991 is now a thing of the past. Six ships going down in such a short period of time was not to be heard of after the Ships of shame report.

The report recommended that Australia take a more active role in the International Maritime Organisation in promoting international solutions to ship safety issues. Acting on those unanimous recommendations, the Howard government achieved an outstanding list of changes. We realised that, to be effective, Australia needed to influence other nations, particularly flag-of-convenience states. It is apparent that all nations concerned with ship safety present a united front in progressing ship safety initiatives through the International Maritime Organisation. From the Ships of shame report came changes to legislation, and it was the 11½ years of the Howard government that ensured that this work was achieved. Some 17 acts and some 38 sets of regulations were made. Australia contributed to 51 separate amendments to International Maritime Organisation conventions and five new conventions.

In 2001 the Howard government introduced the Great Barrier Reef Marine Park Amendment Bill. This bill created offences and increased penalties in relation to oil pollution. Changes were made to legislation regarding compulsory commercial ship pilotage in and around the Great Barrier Reef. In 2005 various amendments to various pieces of maritime legislation relating to ship safety, marine environment, general maritime navigation and miscellaneous administrative matters were made. Also, amendments were made to require ships of 150 tonnes or more carrying bulk noxious liquid substances to have a marine pollution emergency plan. In 2006 the Howard government introduced the Maritime Legislation Amendment (Prevention of Air Pollution from Ships) Bill 2007. The main purpose of the bill was to amend maritime pollution legislation to enable ratification of annex VI of the International Convention for the Prevention of Pollution from ships—commonly known as MARPOL. The bill added a new part to division 12 of the Navigation Act 1912 to provide for periodical survey of Australian registered ships to ensure that ships are constructed in accordance with the annex VI requirements and for the issue of an International Pollution Prevention Certificate. Foreign-registered vessels are required to have certificates issued by their own flag states when visiting Australian ports.

The bill also amended the Protection of the Sea (Prevention of Pollution from Ships) Act 1983 to define the operational measures required in relation to the carriage and use of fuel oil on board ships, including the sulphur content of fuel oil and fuel oil quality requirements. Limits were set on sulphur oxide and nitrogen oxide emissions from ships' exhausts and deliberate emissions of ozone-depleting substances were prohibited. The annex also included a global cap of 4.5 per cent on sulphur content of fuel oil. The provision of annex VI of the convention allowed for special sulphur oxide emissions control areas to be established with more stringent controls on sulphur emissions in these areas. The sulphur content of fuel oil used on board ships must not exceed 1.5 per cent. Alternative ships must fit an exhaust gas clearance system—that is, a cleaning system—or use any other technological method to limit
sulfur emissions. Both the Baltic Sea and the North Sea are designated sulfur emission control areas. This legislation was supported by the Labor government.

In 2006, the Howard government amended the Maritime Legislation Amendment (Prevention of Air Pollution from Ships) Act. The bill implemented changes to the International Convention on the Control of Harmful Anti-fouling Systems on Ships, the HAFS convention, to prohibit the use of harmful organotins in antifouling paints used on ships and additionally prevent the potential future use of other harmful substances in antifouling systems. Again, that was supported by Labor.

In 2006, again, the Howard government amended the Protection of the Sea (Powers of Intervention) Act 1981. The amendment made it possible for the Commonwealth to effectively respond to threats of serious marine pollution arising from maritime incidents. The bill provided greater clarity to the current terms of the legislation to ensure that those in the maritime industry know their obligations and responsibilities. It also ensured that officers of state governments and the Commonwealth are able to make confident and quick decisions in environmental emergencies.

Notwithstanding the importance of this legislation, and the necessity for our marine and coastal environments to be adequately looked after, like most industries international shipping is dollar driven. The decline in quality standards of shipping vessels is a direct result of industry cost cutting from commercial pressure. Sound, strong legislation is essential to drive a responsible international performance.

The _Ships of shame_ report examined the role Australia played as a port state and the role Australia could play to influence improvements to the international marine conventions and observation of those conventions. Australia, as a developed, progressive country, needs to lead by example. The IMO—that is, the International Maritime Organisation—provides a valuable role establishing conventions and codes of conduct to regulate international shipping. IMO standards are recognised as being sufficient, as agreed by the industry.

The setting up of a convention can and does take time—up to five years for a convention to be approved and then many more years to be ratified. The process is time consuming. That is why it has taken since 2002, when Australia signed the convention, until now for this ratification. The bunkers convention, as I said, will come into force on 21 November this year and, with the passing of this legislation, Australia will be part of that convention and contribute to the international example being set.

Safety is of paramount importance at sea. The sea has taken far too many lives and it is necessary for ship owners and operators to be responsible for both the operating efficiency and the effect of their orders at sea, in the safety of their crew. Ratifying the bunkers convention will ensure that Australian victims of bunker oil pollution will no longer have to prove that the shipowner was at fault in order to receive compensation. Until now, shipowners have only been liable for payment of compensation if it is proven that the owner was at fault. The bunkers convention ensures that compensation is available even in the most accidental spill of bunker oil. The consequential amendments bill will ensure that there is no duplication of insurance requirements between Australia’s legislation and the bunkers convention, and amendments to the Admiralty Act 1988 will confer jurisdiction on the Federal Court and state and territory supreme courts to hear and determine matters arising under this bunker oil bill.
Amendments to the Protection of the Sea (Civil Liability) Act 1981 will ensure that there is no duplication of insurance requirements between that act and the bunker oil bill, in view of this act already applying to vessels 400 gross tonnes and over. Amendments to the Protection of the Sea (Powers of Intervention) Act 1981 are intended to ensure that, even if the owner or master of a ship is the subject of a direction under that act, the registered owner of the ship will remain liable for compensation costs under the bunker oil bill and there will be no effect on court proceedings under the bunker oil bill.

As I said, I have consulted widely with the Australian shipping industry, and the passage of these two pieces of legislation is strongly supported by all three umbrella groups representing the industry. All of those that depend on the bounty of the sea need to protect it. This legislation will further add to the protection of our marine environments, and the alternative government supports both these bills. It is very sensible legislation that I am proud to say was contributed to primarily by the previous Howard government.

Ms HALL (Shortland) (10.25 am)—It is with great pleasure that I rise to speak on the Protection of the Sea (Civil Liability for Bunker Oil Pollution Damage) Bill 2008 and the Protection of the Sea (Civil Liability for Bunker Oil Pollution Damage) (Consequential Amendments) Bill 2008. I would firstly like to acknowledge the comments of the member for Kalgoorlie, who recognised the enormous contribution that my predecessor, Peter Morris, has made to shipping not only within Australia but internationally. He was involved with the Ships of shame report as well as ICONS, who prepared a report into shipping from an international perspective called Ships, slaves and competition, which dealt with all those issues that have been important to shipping. I must note and would like to put on the record the fact that the current minister has given terms of reference to the Standing Committee on Infrastructure, Transport, Regional Development and Local Government to look at shipping—to look at some of the issues that Peter Morris raised in the past when he was chair of the transport committee and transport minister. Those issues relate to the impact that the continuing and the single permit visas have; the plight of those people that serve on ships, which over the years has contributed to the lowering of standards on ships; and the fact that we have ships of convenience sailing around our coastline here in Australia.

The purpose of this legislation is to implement in Australia the International Convention on Civil Liability for Bunker Oil Pollution Damage 2001—the bunker oil convention. In accordance with the bunker oil convention, the legislation will establish a liability and compensation regime to apply in cases of a spill of bunker oil from a ship other than an oil tanker to ensure that, if there is a spill, victims of pollution damage are able to obtain prompt, adequate and effective compensation.

In accordance with the bunker oil convention, the proposed legislation will provide that shipowners are strictly liable for pollution damage resulting from the escape or discharge of bunker oil from ships. Shipowners can limit their liability depending on the size of their ship. Ships with a gross tonnage greater than 1,000 will be required to be insured to cover the owner’s liability for pollution damage resulting from the escape or discharge of bunker oil and will be required to carry evidence of that insurance. Persons suffering pollution damage will have a right of direct action against the insurer. That is, they can seek compensation directly from the shipowner’s insurer rather than be required to submit the claim to the shipowner, who in some cases may have no asset other than the ship.
This is good legislation, and it is good legislation for the environment. The electorate that I represent in this parliament is a coastal electorate, and I understand only too well the impact that pollution can have on our vulnerable, precious coastline, the impact that pollution can have on our environment. You only have to look to the June storms last year in Newcastle to see just how vulnerable we are to maritime incidents. The Pasha Bulker was grounded during those storms in Newcastle, and at any time there could have been pollution damage resulting from the leakage of fuel oil. But because of the assistance that was available at the time—and good luck, to a large extent—that did not happen.

If there had been a major incident associated with the grounding of the Pasha Bulker, this legislation would have ensured that there would be compensation. The other side to that is that having legislation like this in place makes shipowners very much aware of the fact that they must ensure, and are liable to make sure, that they take account of our environment. Shipowners will be strictly liable for the pollution damage resulting from a spill of fuel oil, which will mean that, even if a spill is an accident, the shipowner is liable. That goes to what I just said a moment ago. To ensure that shipowners are able to pay compensation for pollution damage, there is a requirement that ships over 1,000 gross tonnes be insured, and every ship entering an Australian port will be required to have evidence that it is insured. This legislation will ensure that, if again there is an incident like that of the Pasha Bulker, the ship owner is liable. Imagine if what happened with the Pasha Bulker had been worse. If ships that travel up and down our coastline, including the coastline in the Shortland electorate, do have a major incident, if they do pollute our coastline, if there is an environmental issue, then they will be liable.

This legislation will ensure that Australian ships entering the ports of overseas countries are subject to the same insurance requirements as when they enter ports in Australia. The very important thing for us here in Australia is that foreign ships entering our ports will also be liable. The system that exists in Australia involves single voyage permits and continuing voyage permits and that means that those shipowners will be liable. I refer again to the legislation. This is good legislation and I am very pleased to support it.

Mr Gray (Brand—Parliamentary Secretary for Regional Development and Northern Australia) (10.32 am)—I would like to thank members for participating in the debate on the Protection of the Sea (Civil Liability for Bunker Oil Pollution Damage) Bill 2008 and the Protection of the Sea (Civil Liability for Bunker Oil Pollution Damage) (Consequential Amendments) Bill 2008. It has been a short debate but a debate of the highest quality, participated in by those members of parliament who have significant coastal trade interests and a massive interest in the safety of our coastal shipping. This legislation will provide for compensation following a spill from a ship that is not an oil tanker. Since 1970, accidents have resulted in nine significant spills around Australia from such ships. The member for Kalgoorlie mentioned the Kirki, the Sanko Harvest and the Ships of shame report. I remember as if it were yesterday watching the Iron Baron sink off the coast of Tasmania, something I remember principally because the Iron Baron was built in my home town of Whyalla in South Australia; it was one of the last ships to have been built there. Fortunately there have not been any major spills in Australia on the scale of incidents such as that of the Exxon Valdez in Alaska in 1989. However, there is always the possibility that such a spill may occur.
Australia has a comprehensive arrangement in place to respond to an actual or threatened oil spill, but there is still the potential for significant pollution damage. We need to ensure that prompt, adequate and effective compensation is available to all victims of bunker oil spills. These bills provide for such compensation. This legislation requires ships carrying bunker oil to be adequately insured and changes the onus of proof in regard to compensation bids relating to oil spills. It complements the high safety standards applied to ships trading on the Australian coast and entering Australian ports. It was interesting to hear the member for Kalgoorlie referring to the way in which the Kirki was secured in 1991. Having spent six or so years working for an oil company, I know that that very brave young man who jumped from the tug to the Kirki would have spent the next considerable period of time, if at my old firm of Woodside, explaining himself to the occupational health and safety officers for having undertaken that act. Safety is extremely important in our maritime industries.

This legislation is good news for people concerned about the risks to the environment from oil spills. It is also good news because, like all legislation before it, it has bipartisan support; it has been supported by all sides of both houses of this parliament. That shows not just great consideration by our parliament of the importance of these measures but also the deep level of interest and the ability to make safe our sea lanes for the environment and for those working in them. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

PROTECTION OF THE SEA (CIVIL LIABILITY FOR BUNKER OIL POLLUTION DAMAGE) (CONSEQUENTIAL AMENDMENTS) BILL 2008

Second Reading

Debate resumed from 20 March, on motion by Mr Albanese:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

GOVERNOR-GENERAL’S SPEECH

Address-in-Reply

Debate resumed from 14 May, on motion by Mr Hale:

That the address be agreed to.

Mr PRICE (Chifley) (10.38 am)—Firstly, I want to record the privilege of my participation as a member of this House in two momentous events associated with the opening of parliament—the first being, of course, the Indigenous welcome. I want to say how overwhelmed I felt as I witnessed that welcome. I was a member of the Procedure Committee which reported to this House on the desirability of—and in fact firmly recommended—an Indigenous welcome to commence the proceedings of a new parliament. I am sad to say that the then Leader of the House, Mr Abbott, ignored that report and could not bring himself to respond to it for two parliaments before finally—and, I suspect, reluctantly—indicating that the govern-
ment rejected the proposals contained in the report about the opening of parliament and, in particular, the Indigenous welcome. I should also place on record the feeling I had about the apology and about being a member of the parliament in the House of Representatives when the Prime Minister made that apology to the stolen generation. Could I also, in congratulating the Prime Minister on both these events, acknowledge the important role that the Leader of the Opposition played in offering bipartisan support to both events. I must say that, without that bipartisan support, those events would have been the lesser.

Deputy Speaker Schultz, as you would be aware, there was a momentous, record-breaking sitting on the first day of parliament—some 15 hours in duration—around the government’s proposals to provide for a sitting Friday. Was this something that was revolutionary and had not been seen on the continent of Australia before? That is not the case. The state the Leader of the Opposition, the shadow Treasurer and the Manager of Opposition Business come from has had sitting Fridays since 2002. While there are some departures in important respects from the New South Wales Legislative Assembly sitting on Friday, I note for the Hansard record that the opposition leader in New South Wales, a coalition member, has announced no such policy of having question time on private members’ sitting Fridays. So, whilst for us in the Commonwealth it is perhaps a significant departure, there is at least precedent in New South Wales—the state that you, Deputy Speaker, come from too, I might add. I should also acknowledge your illustrious prior service in the legislative assembly before to coming this great House, Deputy Speaker.

The DEPUTY SPEAKER (Mr AJ Schultz)—I am humbled by your kind words.

Mr PRICE—Thank you, Mr Deputy Speaker. So here was the precedent. What were the concerns of the opposition that led to a 15-hour sitting of the parliament on its first day? The principal concern was that there was no question time on sitting Fridays. I do not think the founding fathers would have envisaged that we would have had a proposed parliamentary sitting day devoted exclusively to private members—that is, no government business whatsoever. I do not think the founding fathers, with great respect to them, would have envisaged the dominance of the executive over the parliament itself. Certainly there is not a provision in the Constitution for private members’ sitting days, although they are constitutional—and I will get onto that.

What sitting Fridays represented was a degree of generosity and reform by the Rudd government, in trying to balance up the power of the executive over private members. Who would have benefited? We would have had under those proposals committee reports being tabled in the House when it started on Friday, and then at 10 o’clock every committee member who served on the committee—in addition to any other member, for that matter—having the opportunity to give their version of that committee report. I do not apologise to this place for being one who champions the role of parliamentary committees. I value the contribution of all those who serve on parliamentary committees. It is a frustration of this place that those who do serve on parliamentary committees do not in a timely way get the opportunity to record their considerations of the issues confronting their particular parliamentary committee and why they may have recommended or not supported different proposals that went to make up the parliamentary report.

So the big winners would have been those backbenchers who had served on parliamentary committees. They would have had the opportunity to present a report when there was no
competing government business. Committee members and other members would have been able to go straight into the Main Committee and give their contribution the very morning that the report was tabled in parliament. The other big winner, apart from private members having more opportunities to have private members’ motions debated in the House, was the opposition shadow ministry, because they could have developed private members’ motions—may I say, perhaps designed to embarrass the government over one issue or another. They could have had their remarks recorded in the Han
dard, again without any competing government business. I thought there were considerable advantages in these proposals. It is also true that, if they were not participating on private members’ Fridays, members could have devoted themselves to other aspects of their parliamentary life here or, indeed, returned to their electorates.

But what were the arguments used in that record 15-hour debate? The first proposition was that the standing orders were designed to have no starting quorum. A starting quorum is a constitutional requirement for every parliamentary sitting day and you cannot actually start a parliamentary sitting day without a starting quorum. In other words, if this morning there had only been 28 or 29 members in the House, the Speaker would have been forced to adjourn the parliament. Every parliamentary sitting day requires that starting quorum and nothing in the proposals that the Leader of the House put could have given the slightest suggestion that we were trying to obviate a starting quorum.

The other proposition was in relation to deferring quorums and divisions to the next sitting day. There was an interesting argument consistently presented by the opposition that somehow this was breaching the Constitution. The Manager of Opposition Business said that the dinner breaks on Mondays and Tuesdays, the other precedent for that, were consensual—that is, there was agreement that there be no divisions and no quorums. I have to say that, if something is ultra vires the Constitution, it is ultra vires whether it is consensual or not. But the Manager of Opposition Business was mistaken. That is to say that standing order 55(b) and standing order 133 permit the deferring of quorums and divisions. So there is nothing consensual about it. Any member of the House on the opposition side or the government side can within the standing orders rise during the dinner break and call for a quorum. Divisions are automatically postponed, but they certainly can call for a quorum and that quorum must be counted, but it is deferred. So there was ample precedent.

It is true that the Leader of the House referred to the government obtaining a legal opinion, and much was made of the fact that the legal opinion was not tabled. I think the opposition would have had more credibility had they had a consistent track record of tabling legal advice. Of course, that was not the case. And I will defend the clerks of the House, if I may. I do not believe that the Clerk or indeed the Deputy Clerk would, without the greatest protest and argument with the Speaker, agree to any proposition that they felt breached the Constitution.

I thought it was rather sad to see the former leading law officer of the land, Mr Ruddock, the former Attorney-General, suggest that privilege was somehow at risk because of the issue of deferring quorums. Can I point out that, if the former Attorney-General were correct and even if you accept that the deferring of quorums and divisions in the dinner breaks on Mondays and Tuesdays was consensual—which is false—the alleged consensual nature of that deferment would not protect privilege.
Indeed, a member of the opposition did ask the Speaker about the possible loss of privilege because of the deferring of quorums and divisions on a sitting Friday. I will quote from page 829 of *Hansard*. The Speaker said:

> The Clerk is not aware of any case concerning parliamentary privilege in respect of either house which has been decided on the basis of whether a quorum had been present when words were spoken or actions taken.

Standing order 54 requires that the Speaker cannot read prayers—

so we are talking about the commencing quorum—

to commence a meeting of the House unless a quorum is present. This provision will apply on scheduled sittings on Fridays.

So here you have the former first law officer of the land raising an argument about privilege which is unsupported by the Speaker on the advice of the Clerk.

The other point I should make is this: during the Howard government we had sittings of the Senate where there has been no question time. If question time is a requirement of accountability, why was it that the Howard government was happily sitting the Senate on Fridays? Mr Deputy Speaker Schultz, you know that in past practice the House has sat on Fridays without a question time and without an MPI. And what was the device that was chosen by the former government? We have not yet used it, and I hope that we will not—that is, that we sat through a Thursday and into a Friday at the end of session but called the extended session a Thursday sitting only. We have even broken on a Thursday and reconvened on a Friday but still called it a Thursday sitting. If the passion for a question time and an MPI on Friday was so great, why did the members of the former government, the ministers of the former government and, indeed, the leaders of the House in the former government, not have a question time and an MPI on those Fridays?

In conclusion, can I make a couple of points. The Rudd Labor government proposed not to decrease any question times. We still proposed to have four question times, exactly the number each week that the Howard government had. It was the same with MPIs—three MPIs a week, just as the Howard government had. But in that victory of killing off sitting Fridays—and I might observe that in the six months it has been the only thing that has unified the opposition—what have they now achieved? They do not get a private members’ day free of government time; they do not allow backbenchers to comment on parliamentary reports in a timely way. In fact, it is all being done in the evening. I referred to the leader of the Nationals, and I think he will be rising at 8.30 in the evening. I am sure that, notwithstanding his illustrious office, sadly, there will be very few media persons around to listen to proceedings. So we have killed off the opportunity of more backbenchers participating in private members’ time and we have really killed off the effectiveness of the opposition shadow parliamentary secretaries and shadow ministers to use private members’ time, as they legitimately can, to make points against the government.

This has been a great victory that the opposition has had, unifying them at least on one single issue in six months and devoinding themselves long term of opportunities to make points as they should as an alternative government. Instead they must do it in the evening when everyone has gone home and no-one is interested. Personally, that is the decision that you have to live with, but I am rather sad. I am sad for the parliament, I am sad for backbenchers and really it was a pathetic effort by the opposition.
Mr McMULLAN (Fraser—Parliamentary Secretary for International Development Assistance) (10.55 am)—In speaking to this address-in-reply so long after the election, I will not address my remarks, as I usually would, so comprehensively to the issues of my local area but principally respond to some matters in the budget. But I do want first to take this opportunity to thank the voters of the electorate of Fraser. I acknowledge their support; I am very grateful for their support. I accept without question that all the other things that I have the opportunity to do are dependent upon their continuing support. I have never taken it for granted, I do not take it for granted and I intend never to do so. I also take very seriously my primary obligation as a parliamentarian. I am proud to be a parliamentary secretary. I enjoy the work in executive government, the policy development and policy implementation. But all of that is secondary to the obligation I have as a member of this parliament. I enjoy being a parliamentarian and I take it seriously.

Before I get to the principal matter that I wish to raise, which goes to the issue of development assistance, I also wish to support the remarks of the Chief Government Whip. I was out of the country on the day of the Friday sittings so I cannot comment on the detail of what took place on that day, but I have always thought that the initiative of a non-government Friday was a significant enhancement of the rights of parliament and parliamentarians. The parliament does not just serve for the executive or for the front bench of the opposition, which I have just spent much too long being on. It serves the interests of members of parliament. The Friday without government business, which gave members who did not wish to participate the right to go back to their constituency, which is a geographic reality of our huge country, but others who wish to be here the opportunity to participate, was, in my view, a significant enhancement of the rights of members to raise issues—issues of concern to them or concern to their constituency or both. That it was destroyed in the way that it was is a great pity. I hope that we may be able to come back and rescue it on a future occasion.

But today I primarily want to take this opportunity to express my pride and optimism arising from the initiatives in this budget relating to the development assistance portfolio and to put them squarely within the context of the broader strategy of the Rudd government and then talk about the international context. If you look at the features of the initiatives in this budget, they are very responsible. There may be people commenting who wish we had done a lot more, and of course there is so much more to do that you cannot argue with the principle behind what they say, but we need to proceed with measured caution, consistent with efficiency and effectiveness of expenditure. So the budget accords with that responsible economic management and responsible government. It fits the budget and the Rudd government’s projection of the long term.

This initiative with regard to enhanced development assistance is not about transforming our relationships overnight, although in some countries we have done so already, or about transforming the living standards of the poorest people of our region overnight; it is about a long-term perspective. It is about new priorities against the old, tired politics of division and seeking to use international issues as domestic political wedges. It is about a new way of governing, about opening ourselves up to new ideas, as flowed from the 2020 Summit and as we are trying to do through the development assistance program—opening ourselves up to more people and more comment—and it is about fresh new ideas about how we might take Austra-
lia forward in the world. I am very proud of the initiatives and of the governance context in which they occur.

As I have said, some people have indicated that they wish we had done more—and let me quote one of the critics, not to attack them but to agree with them. Oxfam Australia are one of a number of very fine institutions doing great work in Australia’s name on behalf of the poorest people around the world, and the headline of their press release on budget night was ‘Rudd delivers on aid promises but Australia remains below international standards’. You might think I would be a bit upset about that; this is my area of responsibility and they are critical, but they are right. Both statements are correct: that we have delivered on our aid promises—and I am proud of that—but that we are starting from so far behind international standards that not only are we still behind them but after we make another increase next year and the year after, and the year after and the year after, we will still be below international standards. Oxfam say:

The Rudd government has honoured its pre-election commitment and delivered a modest increase of $500 million this year in its contribution to making poverty history ...

The sum of $500 million is not exactly right but it is broadly correct, and they are right: we have acknowledged—in fact, exceeded—the specific commitment we made about a first-year budget increase. But they go on to say:

However, Australian aid continues to lag behind other rich countries—and that is right. The average effort of OECD countries contributing development assistance is 0.45 per cent of their gross national income. Even after this significant increase, we have got to 0.32. Let us recognise—and it is very significant when you think about the dates—that this increase to 0.32 of gross national income, so far behind international best practice as it is, is the highest level Australia has achieved since 1995-96; that is, since the last Labor budget. The government’s declared commitment, for which we are on track with this initiative, to reach 0.5 per cent of gross national income, when achieved, will be the highest level since 1974-75. It is in each instance a Labor government with an internationalist perspective and a recognition of the humanitarian significance and the national interest issues involved in commitments to development assistance that has set the benchmarks. We aspire to get back there and ultimately to go beyond it, but we are starting from such a low base. Oxfam went on to say:

... the budget will lift us off the bottom of the ladder of rich countries performance, but won’t get us anywhere near the top eight, let alone being top of the ladder as befits our leadership position in the region.

I could be offended by that but I in fact support it. They are right. We are starting a long repair job. It is going to take us a long time to repair the damage that has been done, but we have started the task.

I want to embed our initiative centrally within the international campaign to achieve the Millennium Development Goals. They are the international standards that the world has set for itself. The goals provide a clear vision for halving extreme poverty by 2015 and represent a unanimous intent by the international community to rid the world of poverty and improve the lives of those most in need. The milestones set down in the Millennium Development Goals provide a common focus for policy dialogue on poverty reduction efforts between developing country partners and donor countries. This helps to ensure that donor aid programs
remain focused on achieving reductions in poverty. We want to make a new commitment to the achievement of those goals and to contributing what we can as a proud and developed country to assist our neighbours to achieve those goals.

What might have slipped past my description of the Millennium Development Goals—which was a fairly standard, orthodox description—but which is noteworthy is that these goals are a unanimous commitment by the world community. That means Australia signed up to them. But we did virtually nothing about contributing to this outcome. I do not want to say they did nothing, because for the first years of the Howard government we did less than nothing; we went backwards. But in the latter years two positive things happened, and it would be unfair of me not to acknowledge them. One was the white paper, which had some good ideas in it and was a step in the right direction. I do not agree with everything in it; it is not the signpost to the future that this government will use, but it was a substantial and positive contribution to the debate in this country about development assistance. The second was the commitment made in 2004 that by 2010 we would double our aid budget. Given the rate of our economic growth, that actually was not a very significant contribution but it was a step in the right direction. It reversed the long-term trend of decline, and I welcomed it. But it does not change the fact that we finished the period of the Howard government behind where we started. This budget for the first time gets us back there.

Let us have a look at these Millennium Development Goals. Everyone talks about the eight goals, but there are many more targets and a vast number of indicators. There are up to 18 targets and 48 indicators. I do not have time to talk about them all, and in my view they are not all equally important, but we need to have a more comprehensive look at the issues we are focusing on. At the core of it, it is about the fight against global poverty. That should be core business for Australia. Under the Rudd government it is core business for Australia in its own right. It is a fundamental obligation of a decent, developed country in the 21st century that we accept that we are part of the global campaign against world poverty. It is not a peripheral interest; it is not cause for occasional gratuitous commentary. It is core business for modern, 21st century developed countries and governments and we intend to restore Australia to that vast array—the majority of modern, Western, developed countries in the 21st century—making the commitment to those Millennium Development Goals.

It is unashamedly in our national interest. There is no reason to apologise for the fact that, while we are doing good, we are serving our own interest. There is no reason to apologise for that. The Prime Minister himself has commented:

It is in our own interests to tackle poverty in our region, as part of a wider strategy to deal with the impact of terrorism, climate change, pandemics and refugees on Australia.

It is unquestionably in our national interest. That would probably be sufficient motivation to do it. But we should never lose sight of the fact that primarily it is a contemporary obligation of a modern nation to be a part of the campaign against global poverty.

The second thing to recognise is that, even if we are to achieve the millennium goals by 2015—and globally we might, although regionally we will not—it is only the beginning of the task, not the end. Meeting target No.1, to ‘Reduce by half the proportion of people living on less than a dollar a day’, would be a very significant achievement—and we might get there—but the obvious corollary is that half would still be left behind. We will have more to do after 2015, even if we achieve the goals.
As we began the task of restoring Australia’s standing and our commitment to the global goals to which we were a signatory in 2000—which we were notionally committed to for seven years, and which we are now absolutely committed to and engaged in—the Prime Minister committed us to the global call to action for the Millennium Development Goals. On his most recent trip, we joined that MDG call to action to galvanise widespread support, momentum and concrete action for the Millennium Development Goals. We are committed to it, and it fits within the context of our broader foreign policy, where we have the three pillars: the US alliance, our Asia-Pacific regional focus and our commitment as a good international citizen to multilateralism. The last two of those three pillars lead us to the Millennium Development Goals and to setting ourselves on the path to increase our development assistance from 0.3 to 0.5 per cent of gross national income by 2015. That will take us in this budget to 0.38 per cent—approximately $5 billion—by 2011-12. We are at about 0.36 per cent this year and we have scheduled in this budget close to a 50 per cent increase, to be achieved by 2011-12. That is a big opportunity and a big responsibility.

I will talk about the budget measures in detail in this House and outside subsequently; today I want to emphasise that we have made this commitment because, as a government, we think the goals set down and adopted by the international community, including Australia, in the year 2000 remain valid today. We acknowledge that in the Pacific no country is on track to achieve all of those goals and at least one is not on track to achieve any of those eight goals. So we, as a nation in our region and the leading country in the Pacific, have failed, and it is time we acknowledged it directly and took seriously the task of remedying that failure. These are not extreme propositions: eradicating extreme poverty and hunger; achieving universal primary education; promoting gender equality and the empowerment of women; reducing child mortality; improving maternal health; combating HIV-AIDS, malaria, TB and other diseases; ensuring environmental sustainability; and developing a global partnership for development. This is not a revolutionary framework. This is about core common decency, applied internationally.

Our government will take a strategic approach to the entrenched causes of underdevelopment and instability, particularly in our region. We want Australia to become a leader in the fight against global poverty. We strongly support the millennium goals and our government is committed to helping developing countries achieve them. As I said before, on his recent trip Prime Minister Rudd announced that Australia has joined the MDG call to action—at last—to galvanise widespread support, momentum and concrete actions for the Millennium Development Goals. An important part of this will be an increased emphasis on basic education and on improving water and sanitation services. These are both focuses of the initiatives and funding allocation in this year’s budget.

We have, for example, committed to increase funding for water and sanitation by $300 million over two years from 2009-10. In this budget, sectoral increases are targeted very directly at the core Millennium Development Goals. Education programs are estimated to increase by five per cent to over $540 million; health programs are estimated to increase by eight per cent to over $440 million; expenditure on environment and climate change is estimated to increase by seven per cent to over $130 million; rural development expenditure—an area I think we will need to give more attention in future—is estimated to increase by seven per cent to over
$160 million; and infrastructure assistance will be substantially scaled up to an estimated $380 million, an increase of 17 per cent.

It is not just about money; it is not only about making the program bigger but about making it better. But I am very proud that this 2008-09 budget lays the foundation for implementing the government election commitment to increase Australia’s official development assistance to 0.5 per cent of GNI by 2015-16. It is a building block in the government’s scaling up of Australia’s development assistance, with a projected nine per cent real increase in total ODA over the 2007-08 budget figure.

The budget includes a package of new measures designed to take forward the government’s development assistance priorities. In particular—a source of great pride to me—the budget gives effect to our election commitments about climate change, about eliminating avoidable blindness in this region and about improving access to clean water and sanitation. I am proud of the initiatives in the program. I am proud of the context in which they have taken place and I commit the government to an increasing focus on achieving the Millennium Development Goals.

Mr SNOWDON (Lingiari—Minister for Defence Science and Personnel) (11.16 am)—Today I would like to use the first part of my address to express my deepest regret and sorrow on the passing of two public figures, and very important people to me, in the Northern Territory. They were people I knew well and both were very good friends. The first person I want to refer to is Frances McKechnie. I knew Frances for a long time—certainly for the last 25 years—and she was a very dear friend to me. It was extremely saddening to hear of the passing. Her funeral was held yesterday at the Uniting Church in Alice Springs.

She devoted her life to social work in the Territory communities and rural Australia more broadly. She had a stronger affinity with the pastoral sector and the Indigenous people of outback Australia. Frances was originally from Victoria’s Western Districts—Port Fairy. After completing year 10 at Camperdown High School she decided to train to become a deaconess in the Presbyterian Church at Rolland House in Carlton in Melbourne. Her brother Jack recalls asking Frances what made her decide to be a deaconess. At a Presbyterian fellowship camp at Warrnambool, Frances and others were sleeping in a church hall on palliasses. During the night she awoke and her eye was drawn to an unusually bright light in a stained-glass window. On the window were the words ‘Follow me’. Without flinching, Frances took the words to heart and decided to serve God as a deaconess.

In her training she specialised in teaching and social work. She was posted firstly to Melbourne’s eastern suburbs, where she stayed for nine years, before moving to Warrnambool for 11 years. In 1968 she took up a position in the Melbourne office of the Australian Inland Mission, an organisation she gave over 40 years of her working life to. She worked primarily in the field of children’s and women’s services. In the course of her work she travelled extensively around outback Australia, from the Pilbara, the Kimberley, to Cape York, western Queensland and northern South Australia.

Her love of the Territory brought her back to Alice Springs in an active retirement which included seven years as chaplain in St Philip’s College. Frances was the college’s first chaplain and the author of the college prayer. So great was the school’s respect for her that McKechnie House, a boarding house for rural students, was named after her. She worked tirelessly all her public life and in public life. She served on a number of committees in Alice...
Springs which reflected her interest in and concern for social justice and the preservation of the history of Central Australia. These included the National Trust, the Old Timers, and the Older Australians Advisory Committee, which was established by Carmen Lawrence as Minister for Human Services and Health in the Keating government in 1994-96.

Frances was also President of the Alice Springs Branch of the Australian Labor Party and a life member of the Northern Territory Labor Party. She was a regular and very much welcomed attendee at ALP and government functions right up until the last few months before her passing. She was a great friend to me in her role in the party and a great contributor to discussions about the issues of the day. She was a very important person in the life of the Alice Springs Labor Party community.

She was chairperson of the Adelaide House Management Committee, which has responsibility for keeping historical records of the first hospital in Alice Springs, built by the Reverend John Flynn. Frances was deeply committed to the Central Australian community and lived out her retirement years in a place very dear to her heart. ‘I love the place and the climate,’ she said. ‘Where do you get a retirement village like this?’ Frances said of the Old Timers nursing home in Alice Springs, where she lived in a quiet self-contained unit, a unit in which we passed some time sharing stories, having cups of coffee and a little natter. It is with great sadness that we must say farewell to this great and gracious lady.

The second person that I wish to pay tribute to this morning is Dr Marika. Dr Marika was a Yolgnu woman of the Rirratjingu clan, Yirrkala, in north-eastern Arnhem Land. She was an extraordinary woman who devoted her life to education and to bridging the gap between the English-speaking mainstream and her own society. I knew Dr Marika well. For more than 30 years I visited north-eastern Arnhem Land and watched her become an important and respected community leader. She helped to found the land management group Dhimurru, which applied the practices which Yolgnu people have employed since time immemorial. Her life was not an easy one. She overcame cancer in her early 20s and was troubled by heart problems. Despite this adversity, she was never happier than when she was retelling the traditional stories of her community or going through the details of the clan systems of north-eastern Arnhem Land. She could compare their insights with the ideas current in the Western world. She had truly a two-way vision.

The number of people who have paid tribute to Dr Marika is testament to not only how much of a public figure she was but also how well liked she was. I was particularly moved by the words of the Minister for Families, Housing, Community Services and Indigenous Affairs, Ms Macklin, who commented that Dr Marika was the embodiment of reconciliation. Her genuine commitment to her people, particularly through improving the education and reconciliation, was recognised through her 2006 title of Territorian of the Year and last year’s title of NT Australian of the Year. It is a comfort to know that she spent her final days with her family in the stringy-bark forests of her country. Dr Marika was a truly brilliant Australian whose talent, dedication and passion will be sorely missed and forever remembered.

On a happier note, today marks the 80th birthday of the Royal Flying Doctor Service, which has consistently provided a vital lifeline to Territorians and others in remote areas. On this day in 1928, the very first flying doctor flight took off from Cloncurry to answer a call for help from the remote town of Julia Creek. On board the single-engine de Havilland, the Victoria, was the very first flying doctor, Dr Kenyon St Vincent Welch, and the first flying doctor
pilot, Captain Arthur Affleck. The Victory had the most basic instruments and no radio. On that day, the Reverend John Flynn's extraordinary vision—I referred to Reverend Flynn in terms of Adelaide House and the work that Frances McKechnie was doing in Alice Springs—to alleviate the isolation and suffering of people living the harsh outback life became a reality and a quintessential part of the fabric of Australia.

In 2008, we celebrate not only Reverend John Flynn’s dream but the incredible technological advances in medicine, aviation and communications which have allowed the Flying Doctor Service to bring the bush and coastal cities closer. We also celebrate the spirit of Australians whose courage continues to inspire the RFDS to provide excellence in aeromedical and primary healthcare across Australia. We must acknowledge the professionalism and the dedication of those who worked for the Royal Flying Doctor Service, because it is without doubt that they have delivered life-saving treatment to many Australians over the period since the twenties. Without that sort of creative volunteerism, which stimulated the first royal flying doctors’ efforts, there is no question in my mind that our community would be far worse off. So, to those people who are currently engaged and employed by the RFDS, I say ‘thank you’ for your continuing service.

Recently this Australian parliament did something which I did not think it would ever do. The 13th of February was a momentous and memorable occasion and a long time in the making. This was the day that the apology was given by the Prime Minister to the stolen generations. Much work remains to be done, of course, after the apology, but there are clear undertakings that the government has made—and Tuesday’s budget demonstrates our commitment to those undertakings—to improve health, education and employment outcomes for Indigenous Australians wherever they might live. The Indigenous health summit held in this place in March was a timely reminder of this. Over 40 Indigenous groups and national bodies converged to pledge, along with the government, to campaign for Indigenous health equality. Again, Tuesday’s budget demonstrates our commitment to that pledge.

The apology was an extremely important milestone in our nation’s history and a very important gesture which carried great meaning for all of those affected by the policies of past governments. As we know, we cannot erase the record of the past; however, we can acknowledge our past failures, express sincere regret and work towards establishing a better future.

It may come as some surprise that something has gone unreported, at least to date, in the Australian media—that is, the apology currently before the United States congress to its indigenous people. On 26 February this year, not two weeks after the apology in this place, the US Senate passed the Indian Health Care Improvement Act Amendments of 2007. The ostensible purpose of this bill is to improve access to health care for Native Americans. It would boost programs of the federally funded Indian Health Service, prompt new construction and modernisation of health clinics on reservations and attempt to recruit more Indians into health professions. Importantly, attached to this bill is an apology amendment moved by a Republican senator from Kansas, Sam Brownback. The stated purpose of the amendment is:

To acknowledge a long history of official depredations and ill-conceived policies by the United States Government regarding Indian tribes and offer an apology to all Native Peoples on behalf of the United States.

I believe it is worth observing some of the content of this proposed US apology, especially in light of the recent apology here in Australia. It is quite comprehensive—in fact, very detailed.
It begins by recognising the ancestors of the Native Americans as inhabitants of the land of the present-day United States ‘since time immemorial and for thousands of years before the arrival of peoples of European descent’. It speaks of their ‘powerful spiritual connection’ to the land and their ‘deep and abiding belief in the creator’ as reflected through their customs and legends. It goes on to detail actions the federal government took against American Indians, including violations of treaties with Indian tribes; the forced removal of Indians from their traditional homelands; attempts to assimilate children through their forcible removal; armed confrontations and massacres such as those at Sand Creek and Wounded Knee; condemnation of Indian traditions, beliefs and customs; and unlawful acquisition of tribal land and theft of tribal resources and assets. It recognises that there have been years of official deprivations, ill-conceived policies and the breaking of covenants by the federal government regarding Indian tribes. The amendment goes on to apologise:

... on behalf of the people of the United States to all Native Peoples for the many instances of violence, maltreatment, and neglect inflicted on Native Peoples by citizens of the United States.

It expresses:

… regret for the ramifications of former wrongs and its commitment to build on the positive relationships of the past and present to move toward a brighter future where all the people of this land live reconciled as brothers and sisters, and harmoniously steward and protect this land together; …

It also:

… urges the President to acknowledge the wrongs of the United States against Indian tribes in the history of the United States in order to bring healing to this land …

This is clearly a statement with content and an apology which would be welcome amongst American indigenous peoples. The bill is currently at a committee stage in the lower house and may not come up for debate for a number of weeks or months.

I think that, although this particular apology, unlike the one in Australia, is words on paper—little more than a footnote to an appropriations bill—as far as apologies go, it does not meet the standards we have here in Australia. Nevertheless, it is an extremely important starting point. It has always been a thing of interest to me that the US government has acknowledged that its policies of the past have had a detrimental effect on its indigenous people. As yet there has not been an official apology made by the government to the Native American people. This bill, which will appear before the congress in the near future, represents an important opportunity to say ‘sorry’, and I hope that that course is followed. As in the Australian instance, it does not sideline the importance of improving substantive outcomes. This is always the primary focus. But an apology, as we have discovered in this country, is an important step. Its role is not to wipe the slate clean, to forget the past and move on; it is to recognise the misdeeds and misgivings of the past and to act as a pledge to work together towards a reconciled future.

What many people have failed to understand over the past decade has been the emotional harm that has been caused in this country by the refusal to say ‘sorry’. On the face of it, it is a simple act, described in denigrating terms by some as merely a symbolic action. For many of the stolen generations in this country, it is much more than this. We saw clear evidence of that on the day of the apology in this place. The refusal to apologise previously had amounted to a denial of the life experience of many of the stolen generations. They have not been able to tell their story in order to heal.
In less than two weeks, on 26 May, Australia will again pause and reflect for National Sorry Day. As much as it is a day for looking back, it is also a day for looking forward to the future and working towards a reconciled Australia. I have to say, though, that I think the national apology here in Australia has given great encouragement to the peoples of the world. I know from the observations which have been made by colleagues here who have travelled to international fora—and, indeed, by the Prime Minister; it is an issue which has been raised with him by heads of state—that it has been a major issue for discussion with them. It is a matter of pride that I can stand here as a member of the Australian Labor Party and a member of this government to say that I was part of that process and to say that here we all sat in this place as part of that apology. I hope that we will see the same thing in the congress of the United States some time in the near future.

But I have to say that, in my own communities, the impact of the apology cannot be underestimated. That is the thing. For many of us it is an abstract notion, but the reality is that, for those who were the subjects of the apology, it is not an abstract notion. In the meetings I have had with people over many years about this issue, there was no question about the very real pain and hurt that people have suffered as a result of previous government policies. To be part of a process where this parliament apologises to those people in a bipartisan way—and I commend the Leader of the Opposition and the opposition parties—has indeed been a great privilege.

Mr GIBBONS (Bendigo) (11.35 am)—The new Labor government that came into office at the beginning of last December is committed to building a modern Australia for the 21st century. In doing so, there are many areas in which this government has had to make up for the neglect, complacency or mistakes of its predecessors. In the short time that Labor has been in office, we have made rapid progress in addressing many of those issues, including the measures announced in this week’s budget by the Treasurer. In the Governor-General’s speech at the opening of this parliament, he highlighted the importance of a new productivity agenda to the country’s long-term economic prospects, and it is productivity that I want to speak about today.

Increased productivity is the key to generating economic growth without the disastrous consequences of rising inflation. Yet for all of the rhetoric about responsible economic management from the former Howard government, productivity growth was woeful under its watch. The Prime Minister outlined this disastrous record in a speech some time ago to a business leaders’ forum at the Queensland University of Technology. Productivity growth had averaged 3.3 per cent a year in the five years up to 1998-99. In the following five years to 2003-04 it fell by one-third to 2.1 per cent a year, and now it is running at just 1.1 per cent a year. This is just one-third of the rate that the Howard government inherited from Labor in 1996. This collapse in productivity growth has been a major contributor to rising inflationary pressures in Australia, and among the main reasons for the decline have been the failures to invest in human capital, technology and infrastructure—failures to invest at a time when we had unprecedented budgetary opportunities from the proceeds of the current resources boom. Government spending certainly increased under the previous government, to unprecedented levels in fact, but very little was directed at addressing the constraints in our economy, including lifting productivity.

As the Business Council of Australia notes in its 2008-09 budget submission:
Of the $87 billion per annum that economic prosperity has delivered as windfall revenue to Canberra since 2002, all but $2 billion has been spent on income tax cuts and new spending.

At the same time, despite high commodity prices giving us the best terms of trade in more than 50 years, export growth over the past decade has fallen to half the rate of the decade before. Our current account deficit has reached record levels and foreign debt exploded three-fold during the term of the Howard government. The need to redirect the proceeds of the resources boom into the future productive capacity of the Australian economy could not be clearer, and the Rudd Labor government is rising to that challenge.

Skills Australia has been established to lead an integrated response to the skills crisis, and the government is committed to creating an additional 450,000 training places over the next four years. Secondary schools are being invited to apply for funding for the construction of new trades training centres. I am pleased to report that I have initiated discussions with the seven secondary schools in my electorate about how their allocations of this fund can best be deployed to make Bendigo a shining example of modern trades education.

To provide national leadership on infrastructure development—including transport, energy, communications and water infrastructure—legislation establishing Infrastructure Australia has passed through the parliament and its inaugural chairperson has been announced. An expert panel has been appointed to assist the private sector proposals for building the national broadband network and construction is planned to start by the end of the year. For the first time in Australia’s history, the federal government, a Labor government, has taken a national leadership role in planning for our long-term infrastructure requirements.

At the end of the day this country’s future prosperity depends on our meeting the challenges of globalisation, and all of the government’s initiatives that I have outlined will contribute to that goal. But if we are going to respond to these challenges we need all of our businesses, large and small, to be world class. Unfortunately, the Australian Industry Group’s World class skills for world class industries study of 2006 shows that Australian industry is not yet world class, and not world class by a long way. This is not only the opinion of some academic or consultant but the view of the industry itself. Only 18 per cent, less than one in five, of more than 500 businesses surveyed by AiG say that they are currently world class. While this result is disappointing, it is encouraging that at least many do recognise the need to lift their game. Of those firms that are not already world class, 85 per cent thought it was important for them to become so in the next three years. So the imperative is clear.

There are, however, real questions about how Australian businesses become world class. How can we as a nation best invest to position ourselves for survival and prosperity after the current resources boom? It is essentially Australian management who must step up to the plate. While it is appropriate for us to celebrate the achievements of the few Australian businesses that are succeeding on the world stage, we must be ruthlessly realistic about the performance of Australia’s managers. We have to question, for example, why this country has almost no global leader in any market except for the resources industry and some niche sectors in the financial services industry. Where are our world-class manufacturing companies? Where are our world-class information technology companies? The Sydney Morning Herald reported in March that at the CeBIT conference in Hanover, which is the largest information technology fair in the world, just five exhibits out of 5,800 were from Australian companies.
This was less even than from New Zealand and hardly the representation one would expect from what is supposed to be the clever country.

So what is world class when it comes to business? A 2001 study by Dr Darryl Hull and Vivienne Read at the University of New South Wales found that excellent Australian workplaces are characterised by world-class performance, competitiveness and innovation. But being world class means more than maximising short-term profits, more than high returns to shareholders. A fundamental tenet of Western capitalism is the free market, a market where competition and the threat of oblivion produce economic growth and increasing prosperity for all. But unfortunately, despite their rhetoric, many of those who are responsible for making capitalism work—business owners, board directors and executive management—do not much like the idea of a competitive marketplace. In fact, they spend much of their time working to dominate or eliminate any competitors. Why? Because they can make more profit if they operate in a market that is a duopoly or oligopoly than they can if there is real competition. More profit means higher dividends, a booming share price for investors and bigger bonuses for fat cat executives and directors. One of the many problems of oligopolies is that they allow managements to get lazy. They forget how to innovate, they forget how to get the best out of their people and they forget how to compete. They are anything but world class. Unfortunately, many Australian industries are just duopolies or oligopolies, and we have to ask ourselves if this contributes to our lack of world-class companies and our woeful export performance, particularly in manufactured goods.

Australia’s businesses have to make some fundamental changes to the way they operate and manage their people, not least because of the changing nature of work in advanced economies. For example, Professor Frank Levy of the Massachusetts Institute of Technology and Professor Richard Murnane from Harvard University predict that future employment growth will be dominated by jobs that they refer to as ‘expert thinking’ and ‘complex communication’. These are jobs requiring creativity, design, problem solving and innovation and involving more face-to-face communication. They predict that there will be little or no growth in repetitive manual jobs in developed countries. Professor Richard Florida, a United States economist, estimates that what he describes as the ‘creative sector’, which includes these expert thinking and complex communication jobs, grew from 20 per cent to 30 per cent of the US workforce in the period 1980 to 2002.

These trends mean that Australia can no longer rely on being able to perform simple unskilled jobs as competitively as developing countries. These include routine manual jobs, such as in call centres or in routine software coding, as well as those that follow well-defined rules, such as assembly-line manufacturing. These jobs have declined considerably in advanced economies and they are always highly vulnerable to automation, outsourcing and offshoring. Indeed, a 2005 report by the Organisation for Economic Cooperation and Development found that up to 19 per cent, almost one in five, Australians were employed in jobs vulnerable to offshoring. In this global environment the organisations that will be successful are those that look after their people and ensure that their working environments foster and reward creativity, new ideas and risk taking.

The research by Dr Hull and Ms Read I referred to earlier, which incidentally was funded by the Business Council of Australia, tried to identify the very factors that distinguished ‘excellent’ workplaces from ‘very good’ workplaces. They concluded that quality working rela-
tionships are the central pivot on which excellent workplaces are founded. They found that in all excellent workplaces there was an atmosphere of mutual trust and respect. They said:

We became convinced ... that to produce quality work in Australia, one must have quality working relationships ... which requires constant renewal and reaffirmation by all parties.

They said that these relationships are underpinned by ‘trust, respect, self-worth and recognition’ and that the fundamental importance of trust ‘couldn’t be over-estimated’. Importantly, and fortunately, there is no magic in this. They say that the characteristics of excellent workplaces are ‘identifiable, quantifiable and manageable’. They found that management practices that promote respect, recognition and self-worth directly impact on business performance. They found that workplace leaders in excellent organisations, whether supervisors, team leaders or more senior managers, were aware of the impact that their behaviour has on the way people feel about the workplace and their job.

Of course, all this people management stuff is a bit too touchy-feely for some of our more macho managers who are driven solely by the bottom line. Current accounting standards must share some of the blame for this situation. How many times do we read in annual reports that a company’s greatest assets are its people? Yet, when we turn to read its balance sheet, there are plenty of assets listed but no human ones. In fact, every dollar that a company spends on hiring, training and improving the capabilities of its employees is reported as a cost, not as an investment in its most important asset. It is no wonder that managers spend so much time trying to reduce the cost of their people and it is no wonder that training and a whole range of people management spending are among the first things to go when a company is trying to cut costs. This accounting treatment also leads to poor public policy.

The Howard government’s Work Choices legislation, which was so strongly pushed by our peak business bodies, was clearly designed to reduce the cost of labour to Australian business in a short-sighted attempt to compete with labour costs in developing countries—an unnecessary attempt, according to a recent study by KPMG. Despite all the bleating from the big end of town about the cost of operating in Australia, KPMG found that we are one of the least costly locations in the industrialised world in which to do business. Their 2008 competitive alternatives survey found that Australia is already ranked fourth in terms of competitiveness after Mexico, Canada and the US. And, what is more, there is less than one per cent separating Australia from being the second cheapest place in the world to do business.

So further driving down wages is not what this country should be looking to in order to increase business profitability. There is ample evidence that increases in both productivity and profitability are best achieved by better management of the workforce. In fact, research from the UK has found that there is a greater payback from improved human resource management than from giving more attention to business strategy or to product quality or to new technology or even to research and development—and Australian employees know when they are not being well managed by their bosses.

Research released in March this year by recruitment consultants Hudson shows significant gaps between what workers want and what employers offer. More than one in two employees are currently thinking about changing jobs or are ready to walk out the door. In my own state of Victoria, two-thirds of employees are dissatisfied in their current role and are thinking about taking or are ready to take a new job. This is why I believe that, if Australian business is going to be world class, it has to be world class in the management of its human resources.
I have already given notice of my intention to move a motion in private members’ business to this effect. I will be proposing:

... the establishment of a National Commission for Workplace Innovation and Excellence that will, in conjunction with the business community, trade union movement, professional associations and education providers:

(a) identify workplace factors that positively impact on workplace innovation, excellence and productivity including human resource management practices and organisational culture;

(b) develop policies that promote workplace innovation, excellence and productivity including best practice models, codes of practice, awareness programs, business exchanges and awards; and

(c) support research, management education and training in conjunction with higher education providers and professional associations.

I would like to take a few minutes at this point to acknowledge the research on this subject conducted by my late chief of staff and good friend, Richard Clarke. Richard tragically and unexpectedly passed away last month at the young age of 50. He was an inspiration to all who knew him. That is a cliche perhaps, but in Richard’s case it is definitely a true one. He spent most of his working life striving to make things better for others. Selflessly, and seeking no accolades for himself, he succeeded in that objective and improved the lives of thousands of people. Whether it was those with mental illness, whose plight he was strongly committed to, or designing and implementing a pioneering workplace agreement, his paramount concern was for the wellbeing of his fellow human beings. Richard drew on a wealth of experience from his work as a ministerial adviser to former Victorian health ministers Tom Roper, David White and Maureen Lyster and later as a senior health administrator both here in the ACT and in Victoria. He served on the board of management of the Bendigo Base Hospital in the late 1980s and later again as a director of Bendigo Health.

He believed strongly that substantial increases in productivity followed from enriching the working environment for employees, and his groundbreaking work at the Casey Hospital is just one example of this. He wanted to understand how differences in relations between employers and employees distinguished the world’s outstanding corporations and government agencies from those that are merely successful. He was convinced that Australia’s national productivity and profitability can be significantly improved by identifying these differences. Richard was acknowledged as a successful change management practitioner and was highly regarded by both employer organisations and trade unions. He understood more than most the need for continual change in workplace practices, as our national economy responded to increasing globalisation. Not for Richard the pointless industrial disputes that left only one side still standing. He was far more interested in the practices that resulted in everyone being better off than they were before and constantly striving for the win-win scenario. Richard Clarke was not just a visionary manager but a good friend for almost 30 years, and I will miss him greatly.

In conclusion, the election of the Labor government provides the opportunity for new thinking about Australia’s economic performance, for new thinking about what our businesses—both large and small—need to do if we are to be competitive in the global market and maintain a high standard of living for all Australians and for new thinking about how we should manage our most vulnerable resources, our people.
Ms BURKE (Chisholm) (11.53 am)—At the outset, I would like to acknowledge the traditional owners of the land upon which we stand, the Ngunawal people, as well as the traditional owners of the land of my electorate of Chisholm, the Wurundjeri—their elders past and present. One of the most outstanding parts of coming back to this parliament was definitely the welcome to country ceremony performed in this great parliament building. It was an honour and privilege to be part of that after so many years, and it was an incredibly moving ceremony. It was an honour to be part of not only the sorry apology, which I think got an inordinate amount of attention, but the opening of parliament the day before. The very moving and I think poignant ceremony of welcome to country is something that we should all treasure for a long time. It was too long in coming.

I would like to acknowledge at the outset also my great appreciation to Professor Joy Murphy, one of the elders of the Wurundjeri clan, who did a welcome to country to my office when I took possession of it some 10 years ago. We did not have the smoking ceremony because we thought that DOFA would not appreciate us setting fire to a newly acquired electorate office, but we certainly did go through the ceremony of welcome to country. It was a very moving experience and one that I would really like to encourage, if members have not held one in their own electorate offices, as something that they can do to connect with their communities.

Mr Melham—it has kept you safe for the last 10 years!

Ms BURKE—it has kept me safe for the last 10 years in what is a very marginal seat, regardless of what the numbers now say. Chisholm is a great place to represent and probably not associated hugely with an Indigenous community, being in metropolitan Melbourne, but there is an Indigenous metro community, who we often overlook, whose issues are often put aside and ignored. Professor Joy Murphy of the Wurundjeri clan ensures that we remember that there are metropolitan Indigenous communities that we need to respect and we need to think about, and we need to look at their specific plight. So it was indeed an honour to be part of that process when this parliament was formally endorsed at the beginning of the year.

I would like to finally put on the record my great appreciation of the terrific people of Chisholm, who have again bestowed upon me the honour of being their local member. I do feel like the address-in-reply debate has been a long time coming, so I am feeling a little silly that it is now months down the track and I am doing it. But, now that I have the role of Deputy Speaker, actually getting a chance to speak is fairly difficult. So it is with great joy and pride and honour that I can say that I have had the privilege to be elected again to this House. This is my fourth term. I am now the longest serving member—it did not take long to be the longest serving Labor member for the seat of Chisholm, but I am actually now one of the longest serving members for the seat. It is a great honour indeed. Certainly the first member for Chisholm was there for a very long time, but I have now outdone the time of my predecessor, Michael Wooldridge, within the seat of Chisholm. He swapped seats at the 1998 election when I first ran. It is a great honour to have that privilege bestowed on me.

When I first ran for parliament back in 1998, I distinctly remember saying at the time to my husband: ‘It’s all right; I won’t win. I’m standing. I’m going to fly the flag for the ALP. I’m going to do my bit as a good local member, having grown up and lived in the seat all my life and having association with it, but don’t worry; I won’t win.’ Lo and behold, Dr Michael
Wooldridge swapped seats, and I had to ring my husband and say: ‘You know how we had the renovation plans? Perhaps we need to put those on hold.’ Ten years later, I am still here.

Not only this time, winning was a great joy, but to finally be part of government is indeed a great honour and something that I have been looking forward to for a very long time. A change of government has happened on just six occasions in the past 60 years, so it was indeed a momentous occasion. Clearly there was a mood of change. There was certainly a mood of change within my electorate. Within my electorate, climate change was the No. 1 issue on people’s minds, followed closely by health and education. So there certainly was a mood out there, and it was a thrill to be part of government. Since elected in 1998, I have spent 10 long years in opposition, which, whilst a great apprenticeship, was a tad tedious and incredibly frustrating. But now starts the hard work of government. Everybody keeps saying, ‘What’s government like?’ I say, ‘Well, it was really easy in opposition; you just blame the other side.’ Government is actually much harder, a greater responsibility but a great joy to be part of because now we can actually drive. We can bring through the change, and I do not have to sit there feeling frustrated with a Howard agenda, which I was totally opposed to on so many fronts.

I would like to thank all those in the Chisholm campaign who ensured I got here: my local branch members for their unstinting faith; my family, friends and committed locals, who are great supporters of the Labor Party but will not join; and particularly the Young Labor volunteers who were out there in force. Indeed, my staff—Fiona, Jason, Rick, Janet, Louise—and those who came on board during the campaign—Paul, Liana, David, Di and Raff—were all of tremendous support and help. I would like to particularly offer my thanks to Kerry Piva, who came and volunteered full time for the campaign. She was there day and night without a single pay and then turned up on election day with her husband and son to hand out all day for me. It is the likes of Kerry that make campaigning worth while, and I really did appreciate her help.

I need to thank my family: the endearing Steve, who makes it all worth while and achievable, because without him I just could not do it, and Madeleine and John, who already know what it is like to letterbox and to hand out—they are my greatest fans and my greatest supporters. Mind you, at the last election Madeleine did say to me that she did want me to lose, because she had worked out that, if I lost, Mummy would not be so busy. This time around, John, who was five at the time, was getting very concerned about all the posters, because I was pictured standing next to Kevin Rudd. John looked at me very seriously and said, ‘Mummy, how long are those posters going to be up for?’ I said: ‘Till after the election. It’s two weeks off—two swimming lessons away.’ He said, ‘I’m getting very worried. People will think you are married to that man, Mama.’ So here he was very concerned that people in the electorate were thinking that I was married to Kevin Rudd and not to Daddy—the things that go through your children’s minds. They are fantastic human beings and I need to thank them for all their great support.

I need to thank my mum, Joan, who not only babysat but sat for numerous hours on the pre-poll, and my dad, Bernie, who also sat on the pre-poll and convinced everybody in his new accommodation that they had to vote for me. It was the first time in that home that my vote went up. I think he badgered them all into voting for me personally. I thank my brothers and sisters—Tony, Nina, Sophie and Paul—and their respective spouses and children, who
also all had to letterbox and hand out on voting day. As most of them actually live in the electorate, they also had to vote for me. I want to say thank you to them.

I also want to put on the record my great thanks to the numerous volunteers out there, particularly Howard and Marie Hodgins; Joan and George Edwards, who were not as out and about as much because of their ill-health but were certainly there; Adele Mach, the world’s greatest letterboxer; Allen Clausen; Peter Chandler; John Burke; David and Lorie Werner, who are the backbone of many of our campaigns; Kirsta Durham; Kathleen Brasher; and Senator elect Jacinta Collins, who I had out doorknocking, which I did assure her was going to help her in her senatorial candidacy. She did not believe me, but nevertheless she was out there doorknocking. I thank all the state members within my electorate, who gave terrific support and assistance, and I thank their staff as well. To all those in Bob’s and Ann’s office: it is always a joy to work with you, and I thank you very much.

It was a terrific occasion. I also want to welcome and express my appreciation to the member for Deakin, Mike Symon, who has been brought into our fold. It was terrific to work with Mike’s campaign and it is lovely now to have a neighbour in the eastern suburbs bordering my electorate. To Mike and his team, congratulations on a terrific win. It was an amazing effort. They worked incredibly hard and they worked an amazing community campaign with all the local residents out there.

I am proud that this is a government that has already apologised to the stolen generation, which the Howard government refused to do. I am proud that this government has already ratified the Kyoto protocol, which the Howard government refused to do. I am proud that this government has brought down a budget that is friendly to working families and aims to restore the balance that was lost during the Howard years.

All election promises made by the Rudd Labor government have been honoured within this budget. I do not think too many governments before could make that claim. This is significant, because past governments have not always followed through on election funding promises. As the Governor-General said in his speech at the opening of the parliament on 12 February this year, this is a government that is ‘committed to bring a fresh approach to governing’ and that ‘has a vision for Australia’s long-term future’. This includes listening to and consulting the Australian people and being up-front with them on the problems it can solve and those it cannot. It also means actually tackling problems that need solving, and doing the hard work—not putting them in the too-hard basket and hoping that by ignoring them they will go away. Compared to the previous government’s arrogance and lack of an evidence based approach to problem-solving, this is a breath of fresh air.

My constituents overwhelmingly wanted a government that would listen to them and address the problems of concern to them: climate change, health and education. They voted against a government that sat on its hands in relation to climate change, pulled millions of dollars out of the public health system and let our universities go to rack and ruin because it did not have the foresight to invest in them. They voted against a government that would not invest enough in education to create the skilled workers who we now so desperately need—and now we are paying with higher inflation and higher interest rates. The Howard government had no long-term vision and people were tired of having the wool pulled over their eyes. The Rudd government has wasted no time in going to work on these problems, with the aim of building a modern Australia capable of meeting the challenges of the future.
The very successful 2020 summit held in Canberra was a sign of the government’s intention not only to consult but to consider new ideas for Australia’s long-term future. Parliament House literally became the people’s house for a weekend, where delegates from all walks of life and all parts of Australia came to voice their opinion. People were delighted that the government finally wanted to hear what they had to say and, more importantly, take note and act on those ideas.

Locally, a 2020 summit for the south-eastern and eastern regions of Melbourne was held at Monash University, in my electorate, in April this year, with the six local Labor MPs in the area attending—the member for Holt, the member for Bruce, the member for Hotham, the member for Deakin, the member for Isaacs and me. One hundred and forty delegates attended. Six groups discussed climate change and water, education, health, the future of our economy, national security, and community and Indigenous issues. It was a phenomenal day and I want to thank all those who participated and all those who were involved. Most particularly I want to thank the summit co-chair, the Vice-Chancellor of Monash University, Professor Richard Larkins, who added an enormous note of intellectual rigour to the day and made it all run more smoothly and more professionally.

Monash University were very supportive of this venture and donated facilities and services for the event, which we were grateful for. Among the delegates were school principals, small business people, doctors, community leaders, academics, environmental activists, CEOs from community health services and many, many others. The groups were co-chaired by MPs along with people who had considerable expertise or background in that particular field. This made for some very well informed, well guided and often very loud but very harmonious discussions. Everybody came along willing to participate with their ideas, and the day did not actually have one disagreement, with everybody prepared to listen and put forward what I think was a great vision for our area.

For example, the national security group, co-chaired by the member for Holt and the Deputy Vice-Chancellor (International) of Monash University, Stephanie Fahey, had no less than eight experts in the field. At the end of the day we had a great discussion about the notion that in a security sense we have been ‘punching above our weight’ and how we wanted to take that term out of our lexicon because it just does not represent the way Australia should represent itself in the national arena. Apart from that, Richard Larkins, who was co-chairing and summarising, also said, as a health professional interested in preventative health, that as a nation we should not be supporting the art of boxing.

My own group, which discussed strengthening communities, supporting families and social inclusion and the options for the future of Indigenous Australia, was co-chaired by Wurundjeri elder Professor Joy Murphy. This was a terrific group, with over 40 delegates representing various local communities and organisations. It was a very robust debate. The group discussed many issues around funding models, many issues around the notion of community groups not being listened to and many issues around the funding formula under which we come along with a package and say, ‘Apply for the funding,’ but do not actually look at the issues that the various communities are supporting and working on. All these groups have been up and going and providing services for a long time and they find it really quite frustrating that year-in year-out they have to go cap in hand and beg for new project funding, when what they really want to do is just continue doing the great work they are doing.
One of the group’s issues that was fairly vigorously discussed—and it is a big issue in my area—was the notion of skilled migrants. Whilst I welcome in the budget the report about increased skilled migration, skilled migrants need more support. One of the issues I have been dealing with, particularly over the last five years, is skilled migrants arriving in the country and not being able to get work in their chosen field. There is nothing more frustrating than packing up your home and coming to a promised land as a skilled migrant who has lived and worked in an area and for internationally recognised organisations and not being able to get an equivalent job in this country. They come to Australia, they have promised their families a better life and they are not finding the work, they are not finding the assistance that they need. There is no support given to those individuals. I think that is something we seriously need to look at. The area that I represent attracts huge numbers of skilled migrants, particularly from India and Asia, and growing numbers from African countries are coming here as skilled migrants, and we need to be giving them more support.

This whole 2020 process was great—to have so many people from so many different backgrounds, interested groups and parts of the south-eastern suburbs of Melbourne represented. Often we overlook the notion of regions in metropolitan areas because we are also talking about regions in rural and remote communities. My community is a community—it is an area, it is a region; it should be recognised as such, it should be valued as such and it should be funded as such. So there was a discussion about putting the metropolitan areas on the map. I do not denigrate in any way, shape, size or form the difficulty that regional and remote areas have, but my area is a community, a vibrant one, and should be recognised and respected as such as well.

I know that MPs were delighted to be able to chair these groups and be involved in some very interesting and proactive discussions. Each group produced a summary of two to three items which were later fed through to the 2020 summit in Canberra. It was a great success and we have received excellent positive feedback from delegates. Some MPs have said they are interested in having follow-up discussions with delegates on these topics. Monash University is interested in becoming more involved in development issues for the south-east, including an innovation precinct. The notion of clever communities was canvassed on the day and is something I am willing and happy to support and progress within my electorate. I have Monash University, one of the largest universities in the country. Next door to Monash Uni is one of the largest CSIRO precincts; across the road, in the member for Bruce’s electorate, is the Synchrotron; down the road is the Telstra’s big research area; and dotted around them are small areas where many manufacturers are doing research. We need to be supporting research and development and a manufacturing base within this country. Earlier today I listened to the member for Kalgoorlie say that we do not manufacture in this country. No, we do not, and it is a great tragedy. We need to get back into manufacturing or producing or designing. Sitting within my little niche in Clayton I can see that it is an amazing resource, and if we could harness those resources together, we could do great things for our nation, our community and the country. So we look forward to engaging on this idea of clever communities.

We welcome greater engagement by our universities in local and regional development issues and in policy development. With so much expertise on our doorstep we would be crazy not to use it. As I said in my speech on the higher education support amendment bill in the House yesterday, with both Monash and Deakin universities in Chisholm, I have many uni-
iversity students, staff and graduates living in my electorate. This makes for a well educated, politically aware electorate—my constituents are generally very conscious of issues affecting them at local, national and global levels—and they let me know about it fairly regularly. As I mentioned earlier, from the emails, phone calls and letters I regularly receive in my electorate office, climate change, health and education are the issues of primary concern to my constituents.

Coming out of the forum and from the electorate is the issue of transport related to health. Within the suburbs, we need to be actively looking at issue of providing public access transport to the regions in the area. I want to put on record my long-term commitment to seeing the train extended from Huntingdale train station to Monash University and out to Rowville. It has been too long coming. We need to do it to make access easier for students to get to Monash and to cut down on car usage in the area. I would also like to put on the record the need for greater train transport within the eastern suburbs, which also came out of discussions at the local 2020 summit that we held at Monash University—they are depleted—and the need for a commitment from the state government to rebuild Box Hill hospital.

I believe the financially responsible budget provided by the Rudd Labor government goes a long way to addressing the numerous concerns of my electorate in the areas of climate change and education—I welcome the additional funding for the universities—and in the area of early childhood education and the need to lift year 12 or equivalent education rates. Additional places within and funding for aged care are also greatly needed in my electorate, and I commend their inclusion in the budget.

Prior to the election I had a fundraising dinner at Box Hill where Alastair Nicholson, who was a previous Labor candidate for the seat of Chisholm, spoke. Other previous Labor candidates for the seat of Chisholm also came along, two of them being John Button and Helen Mayer. Tragically, since that dinner and since this parliament last sat, both John Button and Helen Mayer have died due to cancer. I want to thank them for their support over the years and I know this parliament was greatly blessed by their presence. We will miss them greatly.

Ms PLIBERSEK (Sydney—Minister for Housing and Minister for the Status of Women) (12.14 pm)—On 24 November last year, voters across the country put their trust in Labor to make a difference. They had had almost 13 years under a Howard government, and during that time, it is fair to say, their trust in government, their trust in democracy and their trust in each other had diminished. We have done more in the first months since coming to office than the Howard government did in the last 11 years of its government. Since the election, we have signed the Kyoto protocol, we have made a formal apology to the stolen generations, we have introduced legislation to abolish Australian workplace agreements and we have initiated a white paper on homelessness in Australia—the first white paper of the new government. It is about the issue of homelessness in Australia and how to tackle it. We have established Infrastructure Australia, a body that will provide advice to government about infrastructure gaps and bottlenecks. In the most recent budget we set aside $21 billion to make some of that become a reality. We have established a social inclusion unit in the Department of the Prime Minister and Cabinet to tackle poverty and address social exclusion. Before the recent investment in the budget, we invested $150 million to assist state and territory governments in cutting elective surgery waiting lists. And of course there is additional funding set aside in the budget for hospitals. We have set up a timetable for eliminating discrimination against same-
sex couples from Commonwealth legislation. Again, for this most recent budget, we have
contributed information about—

A division having been called in the House of Representatives—

Sitting suspended from 12.16 pm to 12.30 pm

Debate (on motion by Mr Slipper) adjourned.

ADJOURNMENT

Mr ROBERT (Fadden) (12.30 pm)—I move:

That the Main Committee do now adjourn.

Zimbabwe

Mr SLIPPER (Fisher) (12.31 pm)—I am particularly pleased to be able to join in the ad-
journment debate in the Main Committee today. I would like to highlight the tragic events
which are unfolding on a daily basis in Zimbabwe. I have had a lot to do with the Zimbabwean
community on the Sunshine Coast. I get a lot of information coming out of Zimbabwe,
and none of that information is good.

We have a situation where for many years there has been a dictator, Robert Mugabe, who
has had scant regard for the rule of law. Black and white Zimbabweans have been tortured,
they have been arrested, they have been maltreated, they have been thrown out of their prop-
erties and their businesses have been stolen. It is a tragedy that a country that once was the
breadbasket of Africa is now a country which is on the brink of famine.

Despite that, an election was held recently. The Zimbabwe Electoral Commission declined
to release the official results. Unofficial results showed that Morgan Tsvangirai, the opposi-
tion leader, was well ahead of the incumbent President Mugabe, but this went on for quite a
considerable period. Application was made to the court in Zimbabwe. The situation is that
ultimately it has transpired that even on official figures Robert Mugabe has lost the election
and Morgan Tsvangirai has been announced as the winner of the first round.

With respect to elections for the parliament, the ruling party for the first time in living
memory has actually lost control of the Zimbabwean parliament. We have a situation where,
under the Zimbabwean law, there is a requirement that there ought to be a run-off election
within a very short space of time. I was particularly concerned to read in the Age of 6 May:

Deputy Information Minister Bright Matonga said ... that the run-off may take place in three weeks but
could take up to a year ...

Under Zimbabwean law, the run-off is supposed to take place within three weeks of the original
election, held many weeks ago, but the commission has the power to extend the period
between the votes.

You also have to ask yourself: what are the United Nations and the world community doing
about the tragic situation in Zimbabwe? What is South Africa, the major power in the region,
actually doing with respect to the ongoing unfolding events in Zimbabwe? One has to be pes-
simistic that there is going to be any action from southern America or, for that matter, from
the United Nations to see that the rights of the people of Zimbabwe are respected. I want to
publicly call for more sanctions against Zimbabwe. I would also like to call for the election to
take place as soon as possible so that the people of Zimbabwe are able, for the first time in
over 20 years, to elect a person who the Zimbabwean people want to be their head of state.

MAIN COMMITTEE
Human rights are basic, right around the world. If you live in Zimbabwe, you have the same right to have your human rights respected as we who are fortunate enough to live in Australia. The world has not done enough to bring pressure on Mugabe, on the regime and on Zimbabwe to ensure that the democratic will of the people of Zimbabwe, as expressed at the ballot box and as belatedly released by the Zimbabwe Electoral Commission, can in fact be implemented.

It is simply unacceptable that in 2008 we have this leader, who has reduced his country into a country that has the highest inflation in the world, a country where there are no human rights, a country where even independent people who were working for the Electoral Commission during the election were attacked because they would not come out in support of the ruling party. Enough is enough. It is time for the run-off election to take place. Morgan Richard Tsangirai has said that he is prepared to compete in that run-off election. I believe that the world ought to ensure that that election occurs as quickly as possible, and once and for all the world will see the end of Robert Mugabe, aid will be able to flow into Zimbabwe, the lives of people in Zimbabwe will be improved and their rights, like the rights of other people around the globe, will be respected.

Mr DANBY (Melbourne Ports) (12.36 pm)—I commend the member for Fisher on his remarks on Zimbabwe and note that the Human Rights Subcommittee of this parliament will be holding hearings on Zimbabwe, Darfur and Burma in Sydney on 12 June. We hope that a number of prominent people from around the world will participate in these hearings.

I want to speak on an equally tragic situation, in Darfur, where a quarter of a million people have been killed, a million people are in exile and away from their homes and, the United Nations estimates, over two-thirds of the local population is entirely dependent upon humanitarian aid, with violence affecting half a million civilians beyond the reach of such humanitarian operations. Before the parliament resumed, 27 April marked a particularly terrible anniversary. A year ago international arrest warrants were issued for two Sudanese leaders involved in the massive ongoing atrocities in Darfur. They are the former state minister for the interior, Ahmed Harun, and Ali Kushayb, a key leader of the Sudanese backed militia, the Janjaweed. Both are charged with war crimes and crimes against humanity.

Evidence in the International Criminal Court cases against both men is overwhelming, including evidence from numerous eyewitnesses as well as compelling documentary evidence. Yet Khartoum refuses to extradite or lift a finger against either man despite an explicit request from the International Criminal Court—no surprise here. As the leading expert on Darfur, Eric Reeves argues, were Haroun or Kashayb to testify in the Hague, members of the Khartoum regime would be at obvious risk of being charged themselves as they could point the finger far up the chain of command in Sudan. It is a grotesque irony. Mr Haroun has even been promoted to the position of state minister for humanitarian affairs, with major responsibility for the millions of desperate victims of the very crimes he orchestrated. I want to commend the international actor Mia Farrow and the academic Eric Reeves, who wrote:

More than five years have passed since the Khartoum regime and its Janjaweed allies launched their campaign of destruction against the non-Arab populations of Darfur. The savagery of the attacks upon civilians, the torched villages, mass murders, rapes, abductions and mutilations have made the word
Darfur synonymous with human suffering. More than 2.5 million people have fled from their burning homes in terror, seeking tenuous refuge in wretched camps across Darfur and eastern Chad.

The International Criminal Court’s role is to investigate and prosecute cases in which a nation’s courts cannot render justice even in the face of the most horrific crimes. The International Criminal Court on its own cannot do anything about it, so it relies on others to execute arrest warrants. In the case of Darfur, the International Criminal Court has an authority from a United Nations Security Council resolution. The refusal of the government in Sudan to arrest the subjects should be superseded by the UN Security Council’s authority in international peace and security. The Security Council members have unfortunately shown too little interest in forcing compliance with this resolution. As long as the regime in Khartoum shows its contempt and the Security Council continues not to enforce its will, Mr Haroun and his cohorts will operate with impunity in Sudan.

Those nations who have committed their support to the International Criminal Court must understand that a green light to Khartoum’s defiance on these indictments is a green light to the men in Khartoum who are in defiance of international demands. The large protection force UNAMID, for example, has for nine months been obstructed by this regime. If we lack the will to pursue international arrest warrants for these two people, it just encourages the authorities in Khartoum to ignore the international community and to continue to ignore the dying in Darfur. This will continue to grow apace.

Last December, Louis Moreno-Ocampo, Chief Prosecutor for the International Criminal Court, issued a devastating reprimand to the Security Council, when he said:

We are witnessing a calculated, organised campaign by Sudanese officials to attack individuals and further destroy the social fabric of entire communities. All information points not to chaotic and isolated acts but to a pattern of attacks.

In my view, the Security Council, has failed to provide any support for Mr Moreno-Ocampo and his terrifying indictment of Sudan and has not done anything to circumvent the Security Council paralysis in this area. Justice will only be served if the nations of the world place justice before serenity in relation to these international war crimes. This is a very difficult issue but one where we all have to do something because we must not repeat the mistakes of the past.

Budget

Mrs MARKUS (Greenway) (12.41 pm)—Labor’s high-taxing; high-spending budget is a slap in the face for the working families that the Rudd government promised to fight for. The working families in my electorate of Greenway are feeling the effects of incompetence as they experience higher prices at the checkout and the bowsers. The first budget of the Rudd government is one of arrogance. The Treasurer can do as he wants with his ministerial salary, but the hard-earned savings of the Australian people ought to be off limits. Working families have been let down by the Rudd government and the Prime Minister—and he, the self-proclaimed champion of working families, has been let down by his inexperienced buddy, the member for Lilley.

The changes to the Medicare levy show the failure of the Treasurer to understand the economic consequences of his actions. Sydney Morning Herald’s Mark Metherell identified the straightforward concept that our Treasurer could not understand: ‘the loss of many young, low-risk members is likely to push up premiums and add to public hospital pressures.’ It is
now predicted that private health insurance premiums will rise by six to 10 per cent, taking away the choice for Australian families by pushing premiums out of reach of the typical household budget. These are mums and dads who previously had the choice to do what was best for their families, mums and dads who are now forced onto the ‘waiting forever’ list in New South Wales. This is the very same government that requires additional federal funding just to fix its desperate hospitals and other strained medical facilities.

The Rudd government’s $10 billion health and hospital fund has been earmarked to fund the development of health infrastructure and medical equipment, but the government does not understand that there is no point in funding additional infrastructure and equipment if there is no-one to operate it. New South Wales Rural Doctors Association President, Dr Ken Mackey, rightly points out that there is no point in funding this infrastructure in a budget that makes cuts to training programs for enrolled nurses in regional Australia. I will be writing to the Minister for Ageing requesting that the additional funding made available for the ACA T program be directed to Greenway in the form of a sub-ACAT team to be based in the Hawkesbury. The ageing population of the Hawkesbury is an issue that this government must address. The closest ACAT team is in Penrith, almost two hours drive from the remote parts of the Hawkesbury district.

This high-taxing, high-spending budget delivers successive blows to young families trying to establish a future in an uncertain economic climate. The first strike is the Treasurer’s plan to exclude some families from receiving family tax benefit B. By placing a means test on the family tax benefit, Mr Swan shows his ignorance of why it exists. It is a recognition not only of the communal social value of families to the nation but also that significant expense is incurred on the part of those providing the social good. Rising interest rates, petrol prices, grocery prices and inflation in general seem to be all Mr Swan can talk about. Why then has he forgotten the challenge they pose to his championed working families? Mortgages now take up to a third of most family’s incomes in repayments, groceries are constantly increasing, and petrol costs hit harder than ever as mums and dads taxi their kids around. The family tax benefit is an acknowledgement of these difficulties that face families and is society’s way of contributing something to the production of social value.

The double whammy on working families is the restriction of the childcare benefits. The Rudd government is once again all bark and no bite as it drums up the increased childcare rebate but fails to mention the restrictions in place. This discriminatory policy is an attack on stay-at-home mums. Mothers who do not work 25 hours a week do not get any childcare rebate, making it hardly worth working at all. The third prong to this government’s vendetta against families is the new payment arrangement and means test for the baby bonus. Our Treasurer has introduced fortnightly payments of the bonus, once again demonstrating he simply does not understand. All families ought to be supported. Hard-working families pay their tax and they deserve some of that tax money back.

This budget not only fails working families but also sneaks through reforms that will hurt the young and vulnerable in our society. These reforms are straight from the union movement. The Work for Dole program has been effectively terminated, as job seekers now have a year before they must take part in the program. The Labor Party seeks to encourage dependence on welfare rather than giving job seekers skills and confidence they would otherwise not have had: a handout, not a hand up. At least 40 per cent of people who have been in the Work for
the Dole program have entered into full-time employment. In light of the Treasurer’s apparent inability to understand basic mathematics, I will personally guarantee that 40 per cent of participants finding full-time employment is a much better result for Australia than zero per cent. As a growth area in Western Sydney, Greenway has many working families with young children, and parents are legitimately concerned about their future.

The Rudd government is also clearly not committed to the environment. The Hawkesbury River is in desperate need of the funding package of $132.5 million promised by the Howard government, which includes amounts for recycling, desalination and maintaining the health and sustainability of the South Creek catchment. Nowhere is this to be seen in the budget. (Time expired)

Renewable Energy: Nichols Poultry

Mr SIDEBOTTOM (Braddon) (12.46 pm)—I would like to talk about chickens—but not just any chickens. These are chickens that have been air chilled—and not just air chilled but air chilled through a process that is fuelled by renewable energy.

A government member—That is wonderful.

Mr SIDEBOTTOM—It is indeed. I want to talk about Nichols Poultry at Sassafras, which is in my electorate. I have seen personally in Sassafras that if you put a toenail in the ground it will grow a foot. It is so fertile, so beautiful and so green. On Friday, 9 May, I had the privilege to be invited to Sassafras, where my former colleague, now the minister for the environment in Tasmania, Michelle O’Byrne, actually commissioned a Vestas 225-kilowatt wind turbine. Nichols Poultry have used the wind turbine to fuel their process, particularly the air chilled process. It is not just for chickens; it is also for turkeys. I can tell you that because they were kind enough to give me one of these chickens, unsolicited—

Honourable members interjecting—

Mr SIDEBOTTOM—I have 10 days or so to declare this excellent chicken. Just listen to this for a mission statement for a company, in the words of Mr Robert Nichols:

Nichols Poultry has an ongoing commitment to reducing our carbon footprint and preserving natural resources by harnessing the wind to produce our energy requirements. Nichols Poultry aims to be Australia’s leading environmentally sustainable poultry producer through the completion of our wind turbine project.

I think that is a fantastic mission statement for any business, let alone the premier poultry business in Australia.

Mr Melham interjecting—

Mr SIDEBOTTOM—I know you will be interested in this. They started operating 20 years ago as a farm cottage industry, originally supplying fresh turkeys for Wrest Point Casino. Since those early days, it has progressed to become Tasmania’s only premium producer of air chilled poultry. This unique process of air chilling helps to produce chicken meat so that you can taste the difference. Now it is the preferred choice of Tasmania’s consumers—so much so that it has enabled the company to grow to supply 25 per cent of fresh poultry sales annually in Tasmania. They now employ 40 full-time employees and they support many subcontractors in my community. Going to the premises of Nichols Poultry truly is a clean, green experience. It is a beautiful place, very clean, air chilled, as you could imagine, and of course we now have this magnificent wind turbine which you can see from the great Bass Highway,
which has recently been completed. Indeed, I was happy to announce the final $42 million phase of construction recently. And I got to get my name on a plaque, which is really good! But, anyway, here is the wind turbine from a distance—a great example to others as to how to use renewable energy.

What I found really interesting was that the invitation to attend the opening of the turbine—it is a lovely invitation and I will no doubt copy the concept of it myself—was based on a coloured painting of the Nichols family farm in Harby in the UK, and there of course was the windmill. It was the inspiration to Robert Nichols and his family to put in a wind turbine. They went to Denmark and dismantled it and brought it over. With just their local knowledge they put this wind tower up. Now not only does it produce enough energy for their business but also it has power going into the Tasmanian grid. It really is a great story. The other great thing about the family’s business is that they have a great concern for occupational health and safety and they have a wonderful quality assurance program and believe in the training of their staff. They are an excellent model of business and an excellent corporate citizen in their community and, of course, they are helping with the environment. I thank them for their kind invitation—it was very enlightening for me. One particular thing they do is invite local schools to come in. They have done projects around wind energy and the science of it and shared that with the schools. They come out and look at the other processes involved in the business. Nichols Poultry is a first-rate business and I thoroughly recommend it. Of course, they live in the beautiful area of Sassafras. It is a great privilege to tell their story.

La Trobe Electorate: Burrinja Cultural Centre

Mr WOOD (La Trobe) (12.51 pm)—In this place on 14 February and again on 3 March this year I spoke about the importance of the redevelopment of the Burrinja Cultural Centre in Upwey, in my electorate of La Trobe. In August last year I announced that the Shire of Yarra Ranges had succeeded in applying for around $2 million in federal government funds to go towards a $10 million upgrade of the Burrinja Cultural Centre. The $2 million was requested by the state Labor minister, James Merlino, as an SOS call for the project, and also by the council itself.

Late last year, representatives of the Shire of Yarra Ranges met with the Department of Infrastructure, Transport, Regional Development and Local Government for preliminary discussions. However, as I understand it, the formal contract was not signed off. I was therefore extremely disappointed to read recently in the Age newspaper that the Regional Partnerships program has been axed and that ‘existing contracts will be honoured but all uncontracted applications will be dumped’.

The Burrinja project represents the culmination of many years of work by the local community, including local schools, to establish a regional performing arts venue. Federal funding was a fantastic result for the arts community everywhere from Ferntree Gully and all the way across the hills to Emerald and beyond. It came about after the dedication of people like Elizabeth Connally and Ross Farnell of Burrinja and Chris Dupe of the Shire of Yarra Ranges.

The application had strong support from the state Labor member, Minister James Merlino; the Mayor of the Shire of Yarra Ranges, Tim Heenan; Councillor Noel Cliff; and former Councillor Louis Delacretaz. It had great community and bipartisan support. A number of local people, organisations and community groups also wrote to me to express their support, including: the Belgrave Community Arts Partnership; the Hills Film Group; Utassy Ballet
School in Sassafras; St Joseph’s College Ferntree Gully; Olinda Primary School; Mater Christi College in Belgrave; Belgrave Heights Christian School; Sassafras Primary School; and the Probus Club of Belgrave.

The funding was to be used to build a 400-seat performing arts centre, upgrade Burrinja’s existing facilities and construct a new Indigenous cultural education garden. This was the only Indigenous project in my entire electorate. Prior to the last election the Labor Party made a number of allegations about the Regional Partnerships program, but even the most partisan Labor member could see that the Burrinja project was a terrific project and was bipartisan. As one might expect, withdrawing federal funding from Burrinja was not raised by my Labor opponent in the election campaign last year. It so happens that my Labor opponent and the new Labor arts minister, Peter Garrett, held a morning tea at Burrinja during the election campaign on Friday, 2 November 2007. Needless to say, there was no mention at that morning tea that a Rudd Labor government would jeopardise federal funding and therefore the entire Burrinja upgrade.

If the Labor Party wants to withdraw federal funding, and it now appears that it has for Burrinja, it and the Minister for the Environment, Heritage and the Arts, Peter Garrett, will be guilty of deceiving the Burrinja Cultural Centre and using it for their own political gain. That is a disgrace. Also disgraceful is the arrogance shown by the Minister for Infrastructure, Transport, Regional Development and Local Government, Mr Albanese, and Parliamentary Secretary Gary Gray, who have failed to respond to repeated attempts by both my office and the Shire of Yarra Ranges to gain information about the status of the funding of this and other projects. The appalling way in which Labor has handled this matter has galvanised the local community, and I intend to fight as hard as I can on behalf of the local community until the $2 million in funding is restored.

It is very sad to see funding cuts in my electorate of La Trobe, especially in the hills. The two major areas loved by those in the hills are the arts and the environment, and there has been a funding cut of $2 million for Burrinja Performing Arts and of $450,000 to tackle weed control, a biological control for wandering trad.

When Minister Garrett was in my electorate he discussed both issues. He never mentioned that the weed funding would be cut nor that the funding for Burrinja would be cut. It is now almost six months since Labor was elected. I hope Labor learns quickly that there is a real world that exists beyond Kevin Rudd’s political agenda, and that it is grossly unfair and utterly gutless to keep community organisations in limbo for months on end until budget night comes around and then to cut existing funding commitments made by a previous government.

Green Corps

Ms GEORGE (Throsby) (12.56 pm)—Recently I had the great pleasure of representing the Minister for Employment Participation, Mr O’Connor, at graduation ceremonies for participants in two local Green Corps projects. One was the Illawarra Rainforest Remnant Corridor and Education Project and the other was the Ngaraba-aan Educational Trail and Restoration Project. These projects were facilitated by a number of local organisations—namely, Job Futures, Warrigal Employment and the Wollongong City Council. I commend those organisations for their continuing support for what is really a fantastic labour market program.
One of the great things about the Green Corps program is the partnerships that develop between community organisations and government at all levels, particularly in an area like the Illawarra, which has very high rates of youth unemployment. I think these Green Corps projects show exactly what can be achieved when the community and government organisations work together to achieve sustainable and common outcomes. The graduates at that ceremony were very delighted with the 26 weeks they had worked on the two local projects. Over that period, their team leaders advised, they were involved in planting 4,000 trees, collecting and propagating seeds and constructing walking tracks. They were also involved in the removal of weeds, undertook fauna and flora surveys and collaborated with a range of local and non-government organisations to create information brochures and reports. I was told at the ceremonies that the experience gained would be instrumental in assisting the young participants to move on to careers in occupations as diverse as horticulture, garden maintenance and landscaping and design, employment in nurseries and florists, apprenticeships in mechanics and web design, and, for those who were interested, further study, particularly in the areas of resources and environmental science.

We know, when we look at labour market transition programs, that the Green Corps program is one of the best in terms of the outcomes for people going on to meaningful paid employment. As a direct result of participating in Green Corps projects, a recent survey identified that 88 per cent of participants said their self-esteem had improved, and 87 per cent believed their motivation to find a job had increased and their chances of getting a job had improved. One of the most pleasing aspects of the Green Corps program is that a significant majority of former Green Corps participants are in employment, in education or in training within three months of completing their placement in local projects. Of course, in this day and age, there is no better time for Australia’s young people to get involved and become proactive about environmental issues, and certainly participation in the Green Corps projects provides our young people, particularly in the Illawarra, with the perfect opportunity to get involved.

When you look at the Green Corps projects on a national basis, one of the good things about the program is that a lot of it is targeted at regional and rural Australia, and it has been a very important program for Indigenous young people. Green Corps participants have made a significant contribution to Australia’s natural environment as well as assisting in the protection of heritage sites, including places of Indigenous significance and the sites of early European settlement. In my own area, one of these projects has been involved in restoration work at Hill 60, a significant site in the Illawarra’s Indigenous history. During 2008, more than 1,700 young people will make a significant contribution to around 174 Green Corps projects across Australia. It is a great program. I commend the young people who have participated in it. They are certainly leaving a legacy for future generations in the efforts they are making in looking after our nation’s environment and our nation’s heritage.

Main Committee adjourned at 1.01 pm